Daily Report

East Europe

FBIS-EEU-91-041
Friday
1 March 1991

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Pact Delegates Interviewed on Budapest Meeting

AU2802122691 Budapest MTI in English 1458 GMT 26 Feb 91

[Text] Budapest, 26 February (MTI)—Tuesday's NEPSZABADSAG carries a series of interviews with the Czechoslovak, Polish, and Bulgarian foreign ministers, the Romanian and Hungarian defense ministers, and the spokesman for the Soviet Foreign Ministry, in connection with the Monday Budapest session of the Warsaw Pact Political Consultative Committee, where it was decided to dismantle the military branch of the organization.

Answering a question on Czechoslovak ideas about the country's military security system after the collapse of the Warsaw Pact's military organization, and about its future allies, Foreign Minister Jiri Dienstbier said:

"We shall be allied to everyone. We deem it essential to set up a pan-European security system in accordance with the achievements of the Helsinki process. But this is the future. What we have to do now is to draw on the structures that already exist. We have talked with NATO, and are planning to conclude bilateral agreements with our neighbours. Consultations on this score with Poland and Hungary were aimed at assisting the emergence of an all-European security system, rather than at creating a new bloc."

Asked about his view of the Warsaw Pact's future, Polish Foreign Minister Krysztof Skubiszewski pointed out, "the agreement we signed was to dissolve the military wing of the organization. Seen from a closer angle, the military was at the core of the Warsaw Pact. The low number of joint political actions last year shows that the organization is nearing the end of its existence, but members should meet again to decide on the matter."

With regard to Bulgaria's plans for guaranteeing its security, Foreign Minister Viktor Vulkov said, "we have two alternatives here: either to join the all-European security system as soon as possible, or to set up a related system of bilateral co-operation agreements."

Asked about the Soviet stand on the abolition of the Warsaw Pact's military organization, Vitaliy Churkin, spokesman for the Soviet Foreign Ministry, said, "we were definitely in favor of dissolution. If the Soviet Union's foreign policy had been anything other than it is, there could have been no such move. The East European changes could not have taken place, there would be no hope of a single Europe, and the Paris meeting or the Soviet troops pull-out would have been mere figments of the imagination. We have promoted these processes with all the means at our disposal and, therefore, view the dismantling of the Warsaw Pact's military wing as a logical step. From now on, national defense will be our main concern. We are going to change our military code to a strictly defensive one in nature. In brief, the outcome of the Budapest meeting fits in nicely with our ideas for the future."

Answering a question on the setting up of a new European security system, Romanian Defense Minister Victor Stanculescu stated, "as long as all-European structures continue to elude us, we must seek the lowest common denominator and the ways and means of guaranteeing the mutual security of countries, particularly neighbors, in the transition period. This applies to the Balkans, as well as to Central and Western Europe. Romania and Hungary were the first to sign such agreements within the Warsaw Pact. We also support multilateral co-operation schemes and initiatives, along the lines of the Pentagonale, which may become guarantees for European security. We have been seeking contact with NATO, and bilateral accords are in the pipeline with Britain, Spain, and Italy. Preparations are underway for an agreement with France. Our direct objective is speeding up dialogue so that we can join the all- European security system by the Helsinki follow-up conference in 1992."

Answering a question on the hopes and fears he had after the Budapest conference, Hungarian Defense Minister Lajos Fur said, "it is hoped that the cessation of military confrontation and European division will pave the way for building the 'common European home' and setting up an all-European security system. Naturally, the Western part of Europe also has a part to play in this process, but the start of a new era fills us with fervent hope. One possible cause for alarm is that the transition period might give rise to political uncertainties in Eastern Europe. There has been some talk of a political vacuum, or of uncertainty at least, which need to be overcome by considered policy. I am confident that the new democracies will be able to steer the region through this difficult period."

Nonaligned Movement Efforts for Gulf Peace Noted

LD2802190991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1655 GMT 28 Feb 91

[Text] Belgrade, 28 Feb (TANJUG)—"Yugoslavia received the news that the Gulf war was over and about the liberation of Kuwait and the restoration of its sovereignty and legitimate authorities with the utmost satisfaction and relief. This historic moment for the Kuwaiti people constitutes at once a victory of the aspirations of all nations and countries in the world towards freedom and peace", the Federal Secretariat for Foreign Affairs stated today.

In an era of building new and more just relations in the world, the international community confirmed, by its resolute actions, the unacceptibility of any policy of aggression and fait accompli, thus facilitating the possibilities of and prospects for establishing a stable peace and security in the interest of all.

Since the very outset of the Gulf crisis, the nonaligned countries and Yugoslavia as the presiding member of the movement have been resolutely and in a highly principled way opposed to the aggression, occupation and annexation of independent and nonaligned Kuwait, engaging themselves in seeking a peaceful and just solution to the Gulf crisis on the basis of the UN Security Council resolutions and the basic principles of nonaligned policies. Such stances and actions were fully evident at the ministerial meeting of the nonaligned countries on 4 October last year in New York.

Acting under the mandate granted at this meeting, Yugoslavia was conducting numerous and intensive contacts with the parties directly involved in the conflict and with the most important international agents, particularly with the members of the Security Council, the EC and the UN secretary general as it presented suggestions and initiatives for finding a political solution to this dangerous crisis.

Unfortunately, these efforts of the Nonaligned Movement and the entire international community met with no adequate response and acceptance on the part of the Iraqi leadership, something that unnecessarily prolonged the war, increased the scope of devastation and bloodshed and the sufferings of the Kuwaiti people.

Yugoslavia particularly stresses the UN's significant and irreplaceable role in creating the international community's unified stance of opposing and condemning any policy of force and aggression and in seeking just solutions for pressing international problems on the basis of the UN Charter.

The Gulf countries and the entire international community, and consequently the Nonaligned Movement, now face a great deal of responsibility and obligations to remove as soon as possible the grave consequences of the war and to enforce peace and security in this region, as well as its lasting stability. This will create the necessary conditions for quickly starting the process of resolving the Middle East crisis as a whole and particularly the Palestinian question.

Yugoslavia will advocate that the nonaligned countries engage themselves in restoring the cooperation and trust between the nations of nonaligned kuwait and Iraq, as well as between all the other countries in this region. In this, Yugoslavia sees a way of exercizing the interests of the entire international community, as well as the principles and aims of the UN Charter and the Nonaligned Movement, this statement concludes.

Presidential Council Calls For End to Rallies

AU2802200891 Tirana Domestic Service in Albanian 1900 GMT 28 Feb 91

[Report on statement by the Presidential Council issued in Tirana on 28 February]

[Text] The Presidential Council chaired by Comrade Ramiz Alia met today, 28 February 1991. It demanded detailed information on the measures taken by the forces for the maintenance of public order in connection with stabilizing the situation created in the country and the enforcing of the law. The ministers of internal affairs and people's defense, the investigator general, and the procurator general reported on these matters. While appreciating the commitment and cool heads of these organizations in eliminating hotbeds of tension, the Presidential Council nevertheless commented that there is sluggishness in defending the rule of law, especially in the prevention, detection, investigation, and conviction of violators of the law. Our entire people call for faster and more energetic action to calm the situation and maintain public order, with punctual and accurate information.

The Presidential Council recommended that the Presidium of the People's Assembly and the government, within the context of the depoliticization of the Army and the forces of order, should also consider the question of the legal protection of the characters of military personnel and representatives of the forces of order.

Pointing out that no legal obstacle presently exists for the free movement of citizens to foreign countries, the Presidential Council drew citizens' attention to the fact that illegal crossings of the border present a danger not only to citizens themselves, but to the country's security and defense and to friendly relations with our neighbors. Our border forces must take all necessary measures in performing their duty to guarantee quiet and secure borders for the people.

The Presidential Council judged that eliminating attitudes that harm relations and unity among people is an imperative demand for a calm and normal conduct of the electoral campaign. It is time for all our electoral and social participants to put an end to mass rallies and activities beyond the specific need, in the campaign for the free and democratic elections of 31 March, to provide electors with the opportunity to acquaint themselves as fully as possible with the programs and personalities of the candidates for which they will vote.

[Signed] The Presidential Council

[Dated] Tirana, 28 February 1991.

PPSh Calls For 'Strategic, Tactical Thinking'

AU0103060091 Tirana ZERI I POPULLIT in Albanian 24 Feb 91 p 1

[Namik Dokle article: "Moderation, Determination, Wisdom"]

[Text] The times in which we are living are serious. Albania has embarked conclusively on the road of democratic pluralism, the road of modern and civilized development, but the events of recent days have seriously burdened the situation. It was the Albanian Workers' Party [PPSh] that committed itself to these changes; however, not everything has happened as had been expected. Developments have snowballed precipitately. Various oppositional or destructive forces—internal or external—struck a severe blow at many of the PPSh's plans. Even within the PPSh, there was evident clumsiness, especially in various central and district bodies. There was a lack of ability to predict events. This faced the PPSh with many surprises and traps, such as the most serious act of the removal of Enver Hoxha's statue.

In this situation, the PPSh feels a strong sense of responsibility to the people and the country. At the same time, it again calls on all political forces—whether those of the opposition or not—and on the country's patriots and honest people, to contribute with goodwill to preserve and strengthen political and economic stability, security, and normal conditions for citizens' lives and work. The people need calm; they do not need to be led into the catastrophic situation planned in anti-Albanian scenarios. As Comrade Ramiz Alia emphasized in his message, our people have the opportunity to avoid catastrophe and the chance to prevent Albania from becoming a sacrificial lamb in the political games of various opposition forces or the aims of foreign enemies.

How can the incipient democratic processes be continued? These processes have extended to all fields of life, high and low. The emergence of new political forces on the Albanian scene has exerted a substantial influence on the party's work. This new political factor has disorganized people, especially with its sometimes even malevolent utopian promises and ideas claiming that the world's purses will open for Albania, if we only wait with spoons stuck in our belts. Absenteeism at work, work stoppages, demands that are unrealistic in our economic realities, indiscipline, and vandalism have exhausted our already debilitated economy. They have led to a serious disruption of political stability and public order. They have also led to spiritual confusion among the people, who are experiencing trauma, disorientation, suspicions, and loss of equilibrium. Thousands of rumors are taken for truths, and truths for rumors. In the end, what nobody would have wanted happened, and blood was shed in Tirana.

What must be done under these conditions? Everyone says: We need calm, unity, and work. However, how can these be achieved? How hard it is to say wise words in this severe situation! However, these words must be found and said. They must be said first by members of the PPSh, wherever and whoever they may be.

Now more than ever, our party needs to defend itself from the attacks leveled against it from all sides. Now more than ever it needs the collective views of all its members, mature, strategic, and tactical thinking, and foresight that will predict events and their consequences, the traps laid for the

party, and the strategic aims and tactical behavior of all its political opponents. What, for instance does the Democratic Party's press have in mind when it weaves hymns of "praise" for President Ramiz Alia?! We quote: "We would declare a hero the president who did not order the start of bloodshed." Very nice; however, they "forget" one thing that must not be forgotten. The president is also the leader of the PPSh and the first secretary of its Central Committee, and no step he takes is a personal step, but a step in pursuit of the human logic of the PPSh, the logical course of events. Communists must not and will not fall into the trap of division. They will not fall into it, because although their awareness has become confused, their convictions have not.

Albanian communists cannot and will not fall prey another of the provocations of RILINDJA DEMOKRATIKE, when, under a headline stretching across six columns, "Albania Now Needs Prudence," it publishes a photograph of the fall of Enver Hoxha's monument and attempts in its enthusiasm to trifle with the people's feelings. The immortal Homer only is only once critical of his hero Achilles, when he drags Hector in the dust. Half a century ago, people gave up the pestilential habit of burning books and burning culture. Therefore, every Albanian intellectual, however modest his intellectual level, must inevitably suffer Macbethian qualms of conscience when he thinks that he may have done the slightest thing to bring his nation to such a point.

In such situations, the party must take the lead in work more than ever before. It must recover its trust and prestige as soon as possible, because we have already delayed, and tomorrow or the day after will be too late. Moderation, cool heads, and wisdom can recover this trust. Events are truly shattering. We are now living through the most serious days in the history of the nation, the people, and the party itself. Only concentrated moral force can rescue the country's future; otherwise, we will be held responsible before history and the people. Events are shattering, but we must not lose courage or allow our eyes to be dimmed. It is a time when the voice of the party must be raised with all its force, weight, and authority.

In this political struggle, the opponents of our party want to strike at the party, to acquire political weight. They are diametrically opposed to our program. They exploit, exaggerate, and inflate every mistake we have made, whether yesterday or today. They generalize from every particular instance and every individual communist. They disparage and discount us. Party organizations must therefore react quickly, particularly under these conditions, and should not sit passively and expectantly. The militant spirit of every communist and cadre must rise now or never. There is no reason for anybody to ask, "What can I do?" We each individually and all together have a great deal to do at work and at home, in streets and offices, in our villages and towns, and with our friends and children. There is no reason for anybody to say, "We will see what we will do." We saw what happened. Now, we need action. Are you abreast of your work in your job? Are you the first to talk to people, persuading them, calming their fears and spiritual traumas, and explaining misunderstandings? In your family circle, are you ready to strive for everything to be understood in its proper meaning and with calm? All extremes are harmful for the party's image and future. There are communists who have been shaken, communists who have lost their faith, and communists who bewail their broken hearts and souls. These feelings are entirely human; however, let our eyes not become misted over. Let us surmount today with cool heads and wisdom. Let us look at tomorrow with calm and faith.

People need the words of the party, and they need communists close to them. Wherever people are concerned, communists must be close to them. Wherever a strike is held, wherever work is not being done, wherever there is distress or a quarrel, and especially wherever there is the danger of bloodshed, communists must be there. Of course, we need organization. The party committees in Tirana and the districts must provide this organization. They should turn to honest individuals among the people. Do the words of our intellectuals carry weight? They do; they carry great weight. There are many professors, writers, and academics who do not want young people to be manipulated by political forces. They must be involved in work with students, schoolchildren, and young people. Achieving this calls for more initiative from all members of the party.

Now more than ever, a call goes out to the consciences, convictions, and work of every communist: Let us preserve, defend, and rescue our dear homeland from the dangers that threaten it.

Deputy Interior Minister Shyti on 'Dark Forces'

AU2802143291 Tirana ATA in English 1121 GMT 28 Feb 91

["The People Demand Tranquillity Be Restored"—ATA headline]

[Text] Tirana, February 28 (ATA)—The newspaper "ZERI I POPULLIT" carries an interview with the deputy minister of the interior, Aredin Shyti which says among others:

Some time ago the announcement of the minister of the interior informed the public opinion that the state organs had information that dark forces with deliberate destructive aims were prepared to create serious turbulences in the people of the capital and other cities of the country. In this situation fraught with tensions and dangers for the entire people, all the honest people, the state organs and political parties were called for vigilance against the monstrous tricks of the terroristic forces which wanted the destruction of Albania and the people's life. But unfortunately, there were some political parties which

doubted these real worries, considering the announcement as groundless and turbulent for the public opinion. The events that followed, which made indignant the entire honest and patriotic people, testified precisely that these dark forces were not inventions of the state organs.

Actually we consider the situation going towards normalization, hence towards the further promotion of democracy.

The forces of order, the interior deputy minister said further on, have been congratulated for their maturity in all the hitherto tense events, but there are not few those who think otherwise. The forces of order have realised that the organized tense actions have been made deliberately to make the police open fire against the crowds of people. This was not only wished to happen but also insisted to be reached at any cost, so that certain forces win political credibility.

The events in Durres, the toppling of the monuments of Enver Hoxha, the burning of books of rare values, killing and wounding of people, etc., are a clear evidence that precisely such forces are not imaginary, but real, Aredin Shyti, deputy minister of the interior, said in conclusion in the interview of the newspaper "ZERI I POPULLIT."

Mass Lawsuit Against Opposition Members Reported

AU0103100991 Vienna DER STANDARD in German 1 Mar 91 p 6

[APA report: "Tirana: Mass Lawsuit Against Opposition Members"]

[Text] Tirana—After last week's violent riots, a mass lawsuit against the alleged instigators of the toppling of an Enver Hoxha monument in the capital, Tirana, has now started in Albania. The Albanian television reported that 74 persons "who violated the law for the protection of cultural assets and important personalities of the Albanian people's history" are standing trial. Seventeen have already been sentenced. More detailed information on the sentences and the offenses of the defendants were not given, the Yugoslav news agency, TANJUG, reported.

The Albanian media were again placed fully under the supervision of the communist party [Albanian Workers' Party—PPSh] on the weekend [23-24 February]. Critical journalists were no longer permitted to file reports.

Genc Pollo, spokesman of the oppositional Democratic Party of Albania [PDSh], stated in Vienna that at least 200 persons were arrested over the whole country after last week's riots. It is especially activists of the PDSh who are suffering from the latest wave of persecution by the PPSh, he said. In the clashes between demonstrators and security forces at least five people were killed and dozens of people were injured.

Referring to his party headquarters in Tirana, Genc Pollo said that adherents of Enver threatened to shoot the chief of the PDSh section in the east Albanian town of Librazhd and his family, and the chief of the local police denounced them as enemies of the people. In the port of Vlora, the apartment of a PDSh leader was blown up. No one was injured, he said.

In view of the first free elections on 31 March, pro-Hoxha activists also initiated a nationwide campaign of intimidation against the democrats, Pollo stressed.

Police Unit Sends Letter to Human Rights Forum

AU0103060491 Tirana BASHKIMI in Albanian 22 Feb 91 p 3

["Open Letter Sent to the Forum for the Defense of Human Rights" by the personnel of People's Police Unit No. 326; place and date not given]

[Text] We personnel of People's Police Unit No. 326, like the entire people, are optimistic that the process of the democratization of our country in all fields will be inexorably and irreversibly carried through solely by peaceful ways and means. We welcome all the democratic changes that have taken place in our country and consider them a timely necessity for the swift progress of our country toward Europe.

We welcome the creation of the Forum for the Defense of Human Rights and consider it a positive step, because the tasks it has set itself are human and sacred. As a unit, we also welcome the statement of the Forum for the Defense of Human Rights in connection with the events of 9 February in Durres. We are in total agreement with its conclusion that "the situation that was created was nothing but one of confrontation. It was clear that the forces of order were faced with the need to prevent a mass surge by force of hundreds and thousands of people into the port." We join the entire public in asking why the public information media did not explain to the public these lies spread by certain forces? We do not agree with your conclusion considering the personnel of our unit to have been "a force of blind violence." We do not understand how you reached this conclusion, when no member of your Forum met any member of our unit, which bore the brunt of these events.

Comrades of the Human Rights Forum, can we be considered a "force of blind violence," when we prevented the flood of hundreds and thousands of people into the port, and were forced to intervene to protect the property of the people from damage and arson? No forces of order in any European country would have maintained keep such cool heads in such events. We do not mention how the sky darkened above us with flying stones and bricks.

We feel obliged to explain to you and the entire public that we did not act against citizens in the city of Durres, but that our forces only defended troops possible entrances to the port. We also wish to explain that the

personnel of our unit relied in this duty on the laws in force that prescribe our duties as members of the People's Police in maintaining public order. In the specific case of Durres, we did not enter any apartment by force and did not use force against any innocent citizens, but called several times for the people to distance themselves from these violators of public order and to help us to perform our duties within the limits of the law, if only by distancing themselves in such a way.

Similarly, as sons of the people, we do not favor confrontation but a solution of the country's problems by constructive debate. We are not for bloodshed but for social peace. We are not for a police state but for a law-governed state. We are not for illegal acts, but for meticulous respect for the law on the part of every citizen.

We would wish that you, in carrying out your humane mission, would also show interest in the 40 people wounded in the ranks of the police. We do not wish to believe that your Forum considers us to be citizens without human rights. Your interest would make us more optimistic and determined in performing our duties for the protection of order and public peace, always within the limits of the law.

We assure you and public opinion that in the future too we will spare nothing, not even our lives, to defend the lofty interests of the people and the homeland and to protect the processes of democratization taking place in our country. With our legal activities, we will increase feelings of security among the people and of fear among delinquents.

[BASHKIMI editorial note]

If the Forum for the Defense of Human Rights or others have comments, we will publish them.

Officers, Military Schools Swear Loyalty to Alia

AU2802142291 Tirana ATA in English 1105 GMT 28 Feb 91

[Unattributed report from the "Press Review"]

[Text] The newspaper "LUFTETARI" carries today the letter the effective of the "Enver Hoxha" Officers' Higher United School, the "Skenderbeg" Military School, and the Military Academy have sent to Comrade Ramiz Alia, general commander of our armed forces. The letter says among others that we will sacrifice our youth to safeguard freedom, independence of the country, to safeguard the PSR [People's Socialist Republic] of Albania. Let no one doubt it. We will always be under your command. We have put the lofty interests of the people and homeland above everything.

Rumors of Foreign Travel Restriction Denied

AU2802205791 Tirana Domestic Service in Albanian 1900 GMT 28 Feb 91

[Text] An ATA reporter learned from the spokesman of the Ministry of Internal Affairs that malevolent rumors are circulating in various places alleging that citizens supplied with normal passports of our state and visas from destination countries will not be allowed to travel abroad between 28 February and the conclusion of the elections.

The spokesman of the Interior Ministry spokesman states, and the Foreign Ministry spokesman confirms, that this is not true. Any Albanian citizen equipped with a passport and visa has the right to travel abroad at any time. The rumors in circulation seek to increase psychological and social tension through disinformation, as in earlier incidents.

Comparison of Council of Ministers on Investments

AU2802142591

Tirana ATA in English at 0914 GMT on 28 February carries a 350-word report on a meeting of the Council of Ministers on 27 February. This has been compared with the Tirana Domestic Service Albanian version published in the 28 February East Europe DAILY REPORT, page 4, revealing the following variation:

Column two, first full paragraph, last sentence, reads: of the IMF; of Mother Teresa, etc. Likewise, on the threshold of the elections a number of delegations and representatives of international organisations, forums, and organisms will come to Albania as observers in these elections.

The Council of Ministers examined also some draft decrees that were sent for approval to the Presidium of the People's Assembly. (supplying indistinct passage)

Zhelev Sends Greetings to Kuwaiti Amir

AU2802214191 Sofia BTA in English 2121 GMT 28 Feb 91

[Text] Sofia, February 28 (BTA)—Bulgaria's President Zhelyu Zhelev has sent a cable to the Amir of Kuwait, Shaykh Jabir al-Ahmad al-Jabir al-Sabah, congratulating him with the liberation of Kuwait from Iraqi occupation. It is my pleasure to assure you that the entire Bulgarian people and I personally share your joy.

Bulgaria's head of state confirms once again the unqualified readiness of the Republic of Bulgaria to make its contribution to the restoration of normal life in Kuwait. He expresses his hope that the future will present opportunities for establishing personal contacts in order to discuss the ways of promoting the traditional relations of friendship and cooperation between Bulgaria and Kuwait.

Government Meets Workers Demands in Moscow

AU2802165791 Sofia BTA in English 1524 GMT 28 Feb 91

[Text] Sofia, February 28 (BTA)—Today the government solved the problems of the Bulgarian workers who have been occupying the Bulgarian Embassy in Moscow for a few days in protest against the inadequate repatriation arrangements.

The problems arose from the Soviet decision to denounce unilaterally the contracts with Bulgarian companies working at sites in the Kursk Magnetic Anomaly and in other regions. Thousands of Bulgarian workers will have to return to their country by the end of March but they are not able to pay their transport fares, including the hard currency fares introduced by Romania.

Today the government decided to allot funds from the budget to cover most of the transport expenses of the Bulgarian workers and to solve the problems related to the denunciation of the contracts.

Thus the government has met the key demands of the striking Bulgarian workers in the USSR who symbolically occupied the Bulgarian Embassy in Moscow.

Balev Blames Lukanov in Court Testimony

AU0103060691 Sofia BTA in English 2058 GMT 28 Feb 91

[Text] Sofia, February 28 (BTA)—You do not wish me to explain a number of slanders and I will die with my name besmirched, the defendant Milko Balev said today after being repeatedly called to confine himself to answering only the questions put by the prosecution.

In a declaration, written in advance, he once again pleaded not guilty. I recognise my personal responsibility and guilt; I am ready to endure everything, even to be nailed to a five-pointed star, but I will not consent to be tried in order to save the careers of former comrades and associates, in the name of their well-being, the defendant stated loudly.

Like Todor Zhivkov he sees the reason for his present state in the actions of Mr. Andrey Lukanov after November 10. He and some other functionaries have fabricated this investigation and the current trial with the sole aim of shifting the entire blame on the former secretary general and me, Mr. Balev said.

Milko Balev is charged with receiving illegal incomes from publishing houses and with unlawfully granting foreign currency to the tune of 9 thousand dollars to his son.

Milko Balev gave the additional explanations he promised yesterday concerning "the publication of Todor Zhivkov's works." According to him this required intensive compilation, editing and, above all, political work.

Asked by the prosecutor whether it was not necessary to have some qualification for this kind of work (he hinted at the defendant's "uncompleted higher education"), Milko Balev pointed out that he had worked as a journalist before September 9, 1944, and called the years he spent in prison for his anti-fascist activities before that date a "great school." He made it clear that other outstanding politicians had worked as journalists without having the respective qualification on the basis of self-education. "And what education did Georgi Dimitrov have?" Mr. Milko Balev asked.

He presented selected excerpts from the introductions to Bulgarian and foreign publications in support of his thesis of the importance of Zhivkov's works and hence of his work in compiling and editing them. One of these excerpts said that the publication of the respective volume of Todor Zhivkov's works in Britain meets the objective need of that country's people to be acquainted with the political processes and changes in Bulgaria.

At today's session it became clear that the circle of privileged did not include only the upper party and state crust. According to the evidence provided by Milko Balev the regional and district leaders and the ministers also enjoyed privileges.

Then, following the indictment, came the topic of the foreign currency unlawfully granted by the defendant to his son for purchasing a motorcycle made in the West. Milko Balev gave the following explanation: What is most important is that the young generation as a whole, and not only my son, is showing great interest in technology. And this, according to Balev, is a positive fact, even for the needs of the defence of the country.

Carried away by the calm atmosphere of the session, at one point Milko Balev was startled by a question put by Prosecutor Krasimir Zhekov. "It smacks of an interrogation here...," the defendant remarked.

Milko Balev asked forgiveness from those whom he had offended or caused difficulties to. This is not mere

demagogy, he stressed, but the result of an honest and merciless reassessment of my actions in the past, Milko Balev said.

Today Todor Zhivkov was only a listener.

The trial will continue on Monday morning with the interrogation of the 247 subpoenaed witnesses.

Finance Minister Does Not Plan Monetary Reform

AU2802190091 Sofia DEMOKRATSIYA in Bulgarian 22 Feb 91 p 2

[Lev Nikolov report: "Minister Ivan Kostov Would Like To Eliminate Currency Black Market, but Rejects Monetary Reform"]

[Text] "I would like to eliminate the currency black market, but this can only happen after we have received $530 million from the International Monetary Fund and other loans from the World Bank, and the 24 countries," Finance Minister Ivan Kostov declared at yesterday's news conference. According to him, the aforementioned amounts will be deposited in the Bulgarian National Bank to stabilize our leva exchange rate versus the dollar. The minister defined the present exchange rate as "intolerable," as a result of which Bulgarian banks are selling 30 times less currency than they are buying.

When the "great sale" begins there is no danger that dollars will go only to the private companies considering that for the time being they do not own more than 200 million leva worth of turnover resources while the state enterprises own 30 billion leva, and the agricultural enterprises own 3 billion leva.

Mr. Kostov stressed that he does not plan any monetary reform as long as the Grand National Assembly has not proposed it. It would cost approximately 1 billion leva, according to him. "I am convinced that we will not achieve anything through such a measure," Mr. Kostov pointed out. He promptly added that financial capital is not properly distributed in Bulgaria. It belongs to people who do not know what to do with it.

Minister of Culture Dimo Dimov, for example, also opposes the reform. In a private conversation with the finance minister supposedly told him: "If after the reform each of us owns 100 leva, you will take also mine in no time, because, unlike me, you would know what to do with them."

It turned out that the minister of finance is not only listening to Mr. Dimov, but also to his own wife who takes care of the family finances.

I do not know what kind of advice he gives his wife, but on a less private scale he recommends that no barter deals should be concluded with the Soviet Union, because this country's economy is subject to incredible cataclysms. "Only the most experienced businessmen can currently cope with the Soviet market. As a matter of fact, several methods of conducting successful barter deals exist, but I am not entitled to reveal them to you," Minister Kostov mysteriously hinted.

The minister, last but not least, promised that in the near future, socially underprivileged people in our country would have the opportunity of living in cheap rented apartments, while the state will take over the major part of the costs. "As a matter of fact, they will be hardly able to afford their own apartments," the minister of finance stated with bitter regret.

Bank Talks on Debt Rescheduling Yield No Result

AU0103060591 Sofia BTA in English 2105 GMT 28 Feb 91

[Text] Sofia, February 28 (BTA)—The latest round of Bulgaria's negotiations with representatives of the 308 banks to which Bulgaria owes the greater part of her foreign debt, which she wants to reschedule, ended without result.

According to Mr. Emil Khursev, an expert of the National Bank, the creditors are still inflexible and show mistrust in the Bulgarian project for rescheduling the debt.

But Bulgaria is the active party in these negotiations. She will continue to elucidate the reforms aimed at a transition to a market economy in the hope that a mutually acceptable agreement will be reached sooner or later, Mr. Khursev said at a press conference held here today. Mr. Khursev was a participant in the latest round of negotiations completed two days ago in London.

Sofia's First Steps to Privatize Retail Trade

AU2802190291 Sofia BTA in English 1603 GMT 28 Feb 91

[Text] Sofia, February 28 (BTA)—Privatization in Bulgaria has taken its first, though timid, steps.

Yesterday the Sofia City Council limited the monopoly of the municipal companies selling consumer goods, foodstuffs, furniture, household appliances, bread and pasta products. Producers can sell their goods in the shops and use warehouses, workshops and office buildings without intermediaries. Tenders for investment, construction and updating of some bigger projects will be organized with the participation of Bulgarian and Foreign companies.

The city council took these steps in order to stabilize market supplies in Sofia, which are now the most inadequate ones compared to other parts of the country, and to secure some extra budget revenue.

Legislation amending the still operative Decree 56 on Economic Activity will enter into force very soon, immediately after it is published in the Bulgarian OFFICIAL GAZETTE. The amendment will start the so-called "small" privatization: of shops, workshops and services outlets.

Privatization is expected to pull the Bulgarian economy out of the quagmire. But its very first steps are raising

certain fears, which actually have never been shaken off completely, that now the "nomenklatura's black money" will come into play.

Many predict that privatization would provoke conflicting interests. The BTA correspondent in Plovdiv reports that an association for fair privatization in retail trade has been set up there with the Riton Company. The company is the successor of a former enterprise which ran public catering in that city. Riton has a staff of 2,000 and more than 300 catering establishments. Being a municipal company, it is afraid that the City Council of Plovdiv may not agree to sell its property. The interim administration and all local authorities in the country are interim, and actually has no way of controlling or directing the privatization of enterprises and establishments.

National Bank Policy Aimed at Lev Stabilization

AU2802212091 Sofia Domestic Service in Bulgarian 2030 GMT 28 Feb 91

[Text] Chairman of the Bulgarian National Bank Todor Vulchev stated at a news conference today in Sofia that the lev would not become convertible in the near future, but that the bank's policy is aimed at its gradual stabilization.

According to Mr. Vulchev, the present level of the dollar against the lev is too high, and the bank will continue its policy aimed at reducing the rate to a level that corresponds to the purchasing power of both currencies. Vulchev announced that in the near future draft laws will be submitted to the Grand National Assembly on the Bulgarian National Bank, on credits, and banking activities. Market securities [pazarni tsenni knizha] and a financial exchange will gradually be created.

Mr. Vulchev reassured savers that the State Savings Bank will not go bankrupt, despite the fact that this year about 800 million leva of its profits this year [words indistinct] the difference in the new interest rates, and especially the reduced interest rates for housing credits. Mr. Vulchev considers that by the end of March interest rates [passage indistinct].

Cryptography Unit Publicized by Foreign Ministry

AU2802152491 Sofia DEMOKRATSIYA in Bulgarian 21 Feb 91 p 2

[Silvia Stefanova article: "The Secret Department Opens Its Safes"]

[Text] The need for secret codes emerged as early as 4,000 years ago. The Bulgarian state, although founded at a much later stage, must evidently have been particulary aware of this necessity, considering the unusually large number of employees working with selfless devotion in the coding and decoding department of the Foreign Affairs Ministry. Out of the 700-man strong staff of the ministry and of Bulgarian missions abroad nearly 70 employees are engaged in coding and decoding operations. Several of them are functionaries of the Ministry of Internal Affairs, army officers, and others.

At the initiative of Foreign Affairs Minister Viktor Vulkov the secret No. 9 Coding and Decoding Department was finally declassified yesterday. This operation was explained by the requirement of "pursuing an information policy based on openness and glasnost, which is in accordance with Bulgaria's new foreign policy." Nevertheless, why should we not assume that this particular measure also has somthing to do with the ministry's selection of cadres, which has recently become a controversial subject? Could it be related to the efforts of certain inner circles within the Ministry of Foreign Affairs to convince public opinion, with the help of elegant diplomatic maneuvers, that the presence of special services in the ministry and among its leading staff has nothing in common with the former Bulgarian Communist Party apparatus and with secret links between the Ministry of Foreign Affairs, the Ministry of Defense, and the Ministry of Internal Affairs? Plamen Dimitrov, chief of Department No. 9, announced at a recent news conference that the staff's activities are not involved in any form of political persecution, wiretapping, espionage, and counterespionage, and that the department is simply engaged in crytography.

"The code has never been in the possession of any political party," the chief of Department No. 9 declared, pointing out that the work of the department was based on Article 27 of the Vienna Convention on Interstate Relations which Bulgaria ratified in 1968. It would perhaps be interesting in this respect to examine the criteria under which the employees of the coding and decoding department at the Ministry of Foreign Affairs were selected.

Plamen Dimitrov explained: The specialists of our department were selected among university graduates, with preference being given to those specializing in languages. Graduates of the Georgi Dimitrov School under the Ministry of Internal Affairs with special proficiency in languages were also recruited. After being selected, the candidates were obliged to attend a short period of training at a special school under the Ministry of Internal Affairs, following which they were instructed in deciphering. After having completed their training they were dispatched to work in the various services of the department.

BSP Reregistration Data in Settlements Reported

AU2802133791 Sofia DUMA in Bulgarian 25 Feb 91 p 1

[Iliya Borisov and Petko Petkov report: "Socialists Confirm Membership in Bulgarian Socialist Party"]

[Text] Iliya Borisov reports that the primary organizations of the Bulgarian Socialist Party [BSP] in Vratsa and the neighboring villages have almost 5,500 members. A large number of middle-aged and young people joined the BSP after 10 November 1989.

BSP reregistration in settlements such as Byala Slatina, Mezdra, Kozloduy, Knezha, Oryakhovo, and so forth, continues. The BSP has a branch in almost every village in the former Vratsa Okrug. Reregistration is approaching its final stage. The Socialists in Khayredin Municipality were among the first to complete reregistration. Some 785 members—more than 90 percent—reregistered.

Petko Petkov reports that some 8,000 Socialists have reregistered in the Sliven Municipal BSP Organization, and 5,000 have already received their new membership cards.

Approximately 942 have reregistered in the Kotel area and 3,584 in the Nova Zagora region.

Podkrepa Demands Confiscation of BSP Property

AU2802214391 Sofia Domestic Service in Bulgarian 2100 GMT 28 Feb 91

[Text] In an open letter addressed to the Grand National Assembly that has been received by BTA, the Podkrepa Labor Confederation insists on the immediate confiscation of the property of the Bulgarian Socialist Party [BSP], Bulgarian Democratic Youth, the Confederation of Independent Trade Unions in Bulgaria, and the Fatherland Union. It also demands the confiscation of the private property of the higher and middle-ranking representatives of the communist nomenklatura throughout the country.

The confederation proposes that the income derived from this restoration of justice should be used for social security purposes. In the view of the Podkrepa Labor Confederation, this will help to achieve a sensible national consensus in the present harrowing times facing the country.

Pointing out that, through their deeds or by their inaction, the institutions of state have cast the burden of the economic measures onto the shoulders of the ordinary citizen, the Podkrepa Labor Confederation asks the Grand National Assembly: Who will explain to the Bulgarian people the reasons why those guilty of causing the national disaster into which the Communists have led their fellow-countrymen have so far not been made to bear financial responsibility?

Business Block Seen as 'Third Political Force'

AU2802222891 Sofia DUMA in Bulgarian 24 Feb 91 p 1

[Mitko Bozhkov report: "The Bulgarian Business Bloc, BBB, Is the Country's Third Political Force, Leader George Ganchev Claims"]

[Excerpts] The Second Congress of the BBB was held in Sofia yesterday. More than 200 delegates from 15 towns and municipalities attended. The party's leader, George Ganchev, declared: "We are developing as the third political force in the country. We have over a quarter million supporters. At least 30 members of our party should take their seats in the legislature. This will be a well established group of Bulgarian patriots—competent, devoted, and ready to serve their motherland in one of the most critical periods of its existence."

The congress adopted a BBB platform. The former statute was amended. An executive and a control council were elected at the congress. It was decided to appoint a commission in charge of conducting the election campaign. As soon as three months prior to the next legislative elections, the BBB is expected to hold a national conference at which it will discuss the methods of winning the people's confidence, its future allies, and the nomination of candidates for legislative elections. [passage omitted]

Mr. George Ganchev categorically stated that "Bulgaria deserves a sort of Marshall Plan that should reliably stimulate the stabilization of our national economy. We not only deserve such assistance, but we shall struggle for it. At the same time we should not be ungrateful toward the Soviet Union. On the contrary—we need new agreements with them and would like the USSR to consider us as a worthy trade partner. We should not turn our backs on the Soviet Union if we cherish Bulgaria's interests above all things." [passage omitted]

According to an announcement made at the congress, the journal BUSINESSMAN has appeared and will be published on a weekly basis.

Civic Movement's Policy Seeks Compromises

AU2802143091 Prague CTK in English 2127 GMT 25 Feb 91

[Text] Prague Feb 25 (CTK)—"We are building a political movement which will be liberal, civic, and social", said here today a statement of the Civic Movement whose preparatory committee was constituted at the last Civic Forum (OF) congress in Prague on February 23.

Initiators of the Civic Movement, one of two members of the divided Civic Forum, want to continue the fruition of the OF election program. They want to play the role of a responsible political center which unites and seeks a viable compromise.

The objectives of the Civic Movement include saving people who fear the future from seeking the way out of the present situation in returning to the past, pushing through the transition to market economy respecting social interests and ecological demands and promoting mutual relations between the Czechs and the Slovaks.

Members of the preparatory committee include federal government members Jiri Dienstbier and Pavel Rychetsky, Czech Government members Petr Pithart and Vlasta Stepova and Chairman of the Czech National Council (parliament) Dagmar Buresova.

Lubor Kinst (former OF first deputy chairman) becomes the spokesman for the Civic Movement and Czech Parliament Deputy Jana Ryslinkova is a press spokeswoman.

Czech National Council Approves Publications Bill

LD2702200891 Prague Domestic Service in Slovak 1400 GMT 27 Feb 91

[Text] Deputies of the Czech National Council today approved a Czech National Council bill on nonperiodical publications. This will enable all individuals to undertake activity concerning the publication of nonperiodical material in harmony with true respect for freedom of expression. The new law markedly reduces the number of compulsory copies and obligatory recipients and thus ensures that they are used for social and not private purposes. It abolishes the legal regulations valid until now for the publishing and distribution of the said publication and enables everyone to acquire, own, reproduce, and distribute any information material of a nonperiodical character. The coming into effect of this law considerably reduces the number of legal regulations on the publishing and distribution of the said publications because, apart from this single law, only the existence of Czechoslovak state norms is expected.

VPN Assembly Speeches Show Meciar-Gal Conflict

AU2802203791

[Editorial Report] Bratislava VEREJNOST in Slovak on 25 February on pages 1 and 2 publishes the 800-word "Speech by Fedor Gal," chairman of the Slovak Council of the Public Against Violence (VPN) movement, delivered at the VPN Assembly in Bratislava on 23 February. Bratislava SMENA in Slovak on 26 February on page 2 carries 400-word "excerpts" from the speech by Slovak Prime Minister Vladimir Meciar at the aforementioned assembly.

At the outset of his speech at the VPN Assembly, as reported by VEREJNOST, Gal says that the VPN "does not have the right" to change its character as a movement until the next parliamentary elections, and that the discussion on changing the movement's name and organizational structure "is not topical at this movement."

Gal goes on to criticize the fact that "many of us, many leading VPN representatives, are making the path toward the solution of serious problems easier for themselves by permanently contriving the image of an enemy—sometimes it is the federal bodies, sometimes the Hungarian minority. I want to say frankly—this is not the path of the VPN. We have opted for the path of dialogue and not for the path of confrontation." Likewise, Gal criticizes attempts within the movement to "place the national dimension of our program above all the other dimensions." He says that the VPN electoral platform rested on five "pillars," all of them equally important, and that giving priority to one of these pillars, such as the national one, would "deform" the movement as it presented itself in the election campaign.

Gal also comments on the VPN's attitude to its coalition partners. Speaking about the OF, he says that "no matter what transformations it may be undergoing these days, it is our most natural political partner on the federal level." Speaking about the Christian Democratic Movement (KDH), he expresses the "conviction that it will evolve into a modern conservative party, which will be good." In this context, Gal appeals to the assembly delegates "not to succumb to politicking and to struggle for power." As he says, "I do not want to spend the rest of my life fighting for power. What I want to fight for is the enforcement of the legitimate interests of people."

In another passage, Gal expresses his "concern at the failure of communication" between VPN political representatives and VPN representatives in the government, without providing any example of this "failure." He also opposes the "creation of an atmosphere that it is necessary to hold early elections," saying that "our duty is to ensure stability and continuity of the power which emerged from parliamentary elections."

In his speech at the VPN Assembly, as reported by Bratislava SMENA in Slovak, Slovak Prime Minister Meciar indirectly objects to some of Gal's statements. On the subject of a power struggle, for example, he says: "Politics has always been struggle for power, struggle with power, and struggle to influence power. If the VPN is to win the next elections, it must embark upon this path and it must prepare not only programs but also people as the implementors of these programs at all levels."

Meciar also indirectly responds to Gal's positive assessment of the KDH, when he says: "I do not want religion

to become state ideology. There are certain types of people whom I do not want to see in politics. But the only way to achieve this is to convince the majority of the people that our truth is the better truth."

In an indirect reference to Gal's rejection of the "creation of an atmosphere" of early elections, Meciar says that "taking into account all activities taking place on the political scene, I cannot rule out that the next elections will be held earlier" than scheduled. In Meciar's opinion, the VPN must be prepared for this situation.

Slovak Prime Minister Comments on VPN Assembly

AU0103132191 Bratislava VEREJNOST in Slovak 25 Feb 91 pp 1, 2

[CTK report on news conference by Slovak Prime Minister Vladimir Meciar with unidentified reporters at the VPN assembly in Topolcany on 24 February: "Development Means Viability"]

[Text] Topolcany— As soon as Slovak Prime Minister Vladimir Meciar briefly stepped into the lobby during yesterday's session of the Public Against Violence [VPN] assembly, he was surrounded by journalists. From the large number of questions and replies, the CTK correspondents selected the following:

Asked whether it was realistic to combine the post of chairman of the Slovak VPN Council with that of prime minister, he replied that this is a possibility. [Meciar] "This is customary in all democratic countries and the combination of party and government posts is normal even in the other parties operating in Slovakia, the VPN being an exception. Because some people perceive this as a problem of concentration of power in Meciar's hands, let me say that I am not speaking about persons but about a method of work. Personally, I can very well imagine Fedor Gal, for example, being chairman of the Slovak VPN Council and Slovak prime minister at one and the same time."

[Reporter] Can parts of your speech [at the VPN assembly] yesterday be regarded as the start of the VPN's election campaign against the Christian Democratic Movement [KDH]?

[Meciar] "Not at all! I only said that religion should not become state ideology. As for the election campaign, why is it supposed to have started only now when it had actually started right after the formation of the coalition? The KDH is far more flexible in its propaganda, which is not as fragmented as it is in our movement. If we do not quickly adapt to these trends in practical policy, the KDH will win the next elections, even if it does not want to."

[Reporter] What is your position on the existence of disagreements between the Bratislava VPN center and individual districts?

[Meciar] "The Bratislava center was established to coordinate the activity of governments and legislative bodies and, unfortunately, it places smaller emphasis, and pays less heed to, what is happening in districts, towns, and villages. That is one of the reasons that we fared in the local elections the way we did. As for the lower-level bodies, they demand, above all, their own representatives in the VPN Council to ensure flow of information. Everything suggests that this principle [that districts have their representatives in the VPN Council] will have to be adopted at today's assembly."

When asked about the possible future constitutional arrangement of the state, Vladimir Meciar had this to say:

[Meciar] "There is a wide range of views on this issue in Slovakia, from an independent Slovak state to a unitary state. But these are extremes. The shape of the constitution of the republic must be decided by the Slovak National Council. Several parties declare in their policy statements, however, that they regard the federation as temporary. Only the VPN embraces the federation as something permanent! In the event of the opposition's success, those parties could object that the results were not an expression of the will of the people. Therefore, if we want to know the will of the people, let us ask the people. Why should we decide in their name before asking them? Let the people themselves decide in what kind of a state they want to live."

Naturally, a question about the prime minister's opinion on yesterday's split of the Civic Forum into two currents could not be missing.

[Meciar] "That is the Civic Forum's affair. I had predicted as far back as November that this would be a solution acceptable to both sides. If you ask me about the VPN's further development, I will tell you that differentiation within the VPN, too, continues."

[Reporter] In your speech yesterday you said, among other things, that people who showed their commitment in November [1989] should be rewarded in terms of their social and professional standing. What did you have in mind?

[Meciar] "From the times of the French Revolution, the winners of every revolution have been assuming posts in the state apparatus and have been changing its structure, form, and composition. It would be absurd if we ignored it when people who had stood up against totalitarianism in the days of our revolution in the VPN's name and had demonstrated their attitude toward society in specific conditions are now being discriminated against, it would be absurd if we accepted the fact that these people are being thrown out of their jobs because they have no political support."

Speaking about the future of the VPN, Vladimir Meciar said that it will remain a civic movement. He does not, however, rule out the emergence of new currents and initiatives. After the elections it will probably, in his opinion, evolve into several political parties. The first to have become active is the radical right wing that, in his opinion, does not have a future. V. Meciar ranked himself in the political center, in which he intends to stay.

Meciar Gives Up Federal Assembly Mandate

AU2802115991 Bratislava NARODNA OBRODA in Slovak 27 Feb 91 p 13

[Reprint of interview with Slovak Prime Minister Vladimir Meciar by an unidentified reporter carried in PRACE No. 48; place and date not given: "A Deputy Should Be a Professional"]

[Text] [PRACE] You stated at the Public Against Violence movement assembly that you would give up your deputy's mandate in the Federal Assembly. Why?

[Meciar] I simply do not have time. During the First Republic, a deputy's position was incompatible with a government position. This was correct at that level; this problem is not so obvious in communities and districts. The function of a deputy in the legislature is not just to vote, but—first and foremost—to weave a fine fabric of communication and association. The act of voting itself—the raising of hands—is nonsense without this work. Moreover, today conditions have been created for professional work from a deputy. A deputy really should be a professional. Therefore, I have given up my mandate.

VPN Leaders Comment on Domestic Issues

LD2702202191 Prague CTK in English 1629 GMT 27 Feb 91

[Text] Bratislava Feb 27 (CTK)—Public Against Violence (VPN) Slovak Council Chairman Fedor Gal denied here today the information that Slovak Prime Minister Vladimir Meciar made efforts to head the most powerful political movement in Slovakia at the VPN congress in Topolcany, West Slovakia, on February 23-24.

Slovak National Council (parliament) Chairman Frantisek Miklosko stressed in this connection that no conflicts emerged at the VPN congress. There is nothing to prove statements that VPN is being disintegrated although VPN has never hidden that there are differences in opinions inside this movement.

Speaking about drawing constitutions of the Czech, Slovak and Federal Republics, Gal and Miklosko said it is unacceptable that this became a matter of political struggle and prestige. VPN and the Christian Democratic Movement (KDH) have identical views on the creation of the federation from below. So far, however, it has not been clear what legal form a state treaty between the Czech and Slovak republics, proposed by KDH, should have. Miklosko described the drafting of the Slovak Constitution as a historical event in Slovakia, saying that its final shape should be decided by a Slovak National Consensus.

A regular VPN briefing was attended also by Slovak Deputy Prime Minister Jozef Kucerak who spoke about an alternative program of the economic reform which has been submitted by KDH these days as counterproposal to the official blueprint for the economic reform. He said that although changes have been made in the program in the past weeks there are still some points with which he disagrees. It concerns namely the emphasizing of the function of the state as the owner. The program also casts doubts on phenomena which are inevitable in the transition to market economy. In this connection he stressed it is impossible to avoid unemployment and temporary production decline. He resolutely rejected ideas on the creation of a customs union between the Czech and the Slovak republics.

KDH Propose Alternative Economic Reform

AU2802141891 Prague CTK in English 1922 GMT 26 Feb 91

[Text] Bratislava Feb 26 (CTK)—Social-oriented economy and the authority of the Slovak Government in decision-making on Slovakia's development are the main aspects of an alternative economic reform proposed by the Slovak Christian Democratic Movement (KDH).

KDH representatives told newsmen here today that the KDH's 10-item alternative includes active employment policy and restrictions on budget expenditures only in case of nonproductive purposes so that enterprises temporarily insolvent do not go bankrupt. In the sphere of banking and financial market KDH favors the establishment of the Slovak bank of issue and a stock-exchange and proposes that legislative powers be transferred within the jurisdiction of the Czech and the Slovak Republics.

Tax and customs regulations are to be within the powers of the national republics, just as foreign trade activities, KDH representatives said.

KDH is a member of the Slovak Government coalition. The other members are the Public Against Violence and the Democratic Party.

SDL's Peter Weiss on Topical Political Issues

AU2802144791 Prague CTK in English 1619 GMT 26 Feb 91

[Text] Bratislava Feb 26 (CTK)—There were considerable political discrepancies between the declarations of Public Against Violence (VPN) Chairman Fedor Gal and Slovak Prime Minister Vladimir Meciar at the VPN congress last weekend, chairman of the Party of Democratic Left [SDL] Peter Weiss told a press conference today.

He noted that the VPN deputies voted for the restitution law in parliament although it is not even on the VPN program. It will now be important for the future of

Slovakia with which of the two Czech Civic Forum groups the VPN will have closer ties, Weiss said.

Commenting on the Gulf, Weiss said that willingness to compromise on both sides was missing so that Mikhail Gorbachev's peace plan could succeed.

Weiss is not enthusiastic about the new independent Christian trade union organization which was founded in Prague last week. He thinks it is not a positive competition but rather splitting of forces.

[Bratislava NARODNA OBRODA in Slovak on 27 February on page 2, under the headline "Doubts About the Change of Name," publishes a 250-word report that adds Peter Weiss's discussion of his party's relationship with the Communist Party of Bohemia and Moravia and with the Communist Party of Czechoslovakia. The former, according to Weiss, casts doubt on the decision of the Slovak party to change its name, and the latter, he says, publishes in its journal MOSTY (Bridges) "obvious attempts at a kind of ideological warfare against the Party of Democratic Left. On the other hand, a Club of the Party of Democratic Left Sympathizers is being formed by the communist deputies in the Czech National Council."]

Moravians, Bohemians on 'Economic Preferment'

AU0103120291

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 27 February on page 1 publishes a chart of two by five inches headlined "Who Is Harmed by Whom?" The chart shows the results of a public opinion survey conducted by the Public Opinion Research Institute in Bohemia and Moravia on "economic preferment in the past."

According to the chart, 78 percent of all Moravians subscribe to the view that "Bohemia has been preferred at the expense of Moravia in the last decades." Some 8 percent of Moravians believe that "neither Moravia nor Bohemia have been preferred," 2 percent believe that Moravia has been preferred at the expense of Bohemia, and 12 percent "do not know." The prevailing view in Bohemia (58 percent) is that neither Bohemia nor Moravia have been preferred, while 13 percent of the respondents in Bohemia believe that Bohemia has been preferred, 4 percent are convinced that Moravia has been preferred, and 25 percent "do not know."

Alojz Pompa To Chair League of Romany Unity

AU2802183291

[Editorial Report] Bratislava VEREJNOST in Slovak on 25 February on page 2, under the headline "League of Romany Unity," publishes a 120-word CTK report on the constituent congress of the League of Romany Unity that provides the name of its first chairman—Dr. Alojz Pompa.

Constitutional Court Bill Approved

LD2702225291 Prague CTK in English 1904 GMT 27 Feb 91

[Text] Prague Feb 27 (CTK)—The Czechoslovak Federal Assembly approved today a constitutional bill on a Czechoslovak constitutional court after the necessary three fifths of deputies voted in its favour.

The law enters into effect on April 1, 1991. The court will have 12 judges - six from the Czech and six from the Slovak Republic - who will be appointed for a seven-year term of office by the president upon the proposal of the Federal Assembly presidium. The 12 judges will be chosen from 24 proposed by the legislative bodies (eight by the federal and eight by each national parliament). The judges must be aged 35 or over and can be members of political parties or movements.

The law proceeds from the need that the respect for fundamental rights and freedoms must be enforceable by law which would be represented by the constitutional court as the final instance. The court should be an authority which would, by constutitional means, prevent conflicts and constitutional crises, a place to which every citizen has the right to appeal.

The constitutional court will be a unique body for the Czech Republic, the Slovak Republic, citizens and the federation. It will deal with disputes concerning powers of the official Czechoslovak bodies, it will decide about the harmony of laws of the Federal Assembly, constitutional and other laws of the Czech and the Slovak national councils and international conventions on human rights and fundamental freedoms ratified and proclaimed by Czechoslovakia.

The establishment of a constitutional court was proposed by President Vaclav Havel on December 10, 1990. The federal government recommended it on December 13.

The first constitutional court was established in Czechoslovakia in 1920. It had seven members and worked until 1931.

Political Parties Establish Intelligence Service

AU0103132691

[Editorial Report] Prague ZEMEDELSKE NOVINY in Czech on 28 February on page 1, under the headline "A Shadow Secret Service?," carries an 800-word "(ZN)"-signed article stating that the newspaper has acquired a "confidential document" from which it is apparent that eight political parties—the Czechoslovak People's Party (CSL), the Movement for Self-Governing Democracy-Society for Moravia and Silesia, the Green Party, the Free Farmers' Party, the Czechoslovak Socialist Party, the Farmers' Movement, the Agrarian Party, and the Czechoslovak Social Democratic Party—are preparing to form their own intelligence centers. According to

ZEMEDELSKE NOVINY, these parties have affiliated themselves in a group known as the "Octet."

The daily discloses that Colonel Engineer Zbynek Cerovsky, chairman of the CSL Defense and Security Commission, sent a letter dated 8 February 1991 to representatives of all the other parties affiliated in the "Octet" in which he proposes that the group establishes a "central defense and security commission" headed by retired Major General Engineer Stanislav Prochazka. No details are given about the purpose of the commission. According to the report, "General Prochazka was dismissed from the Defense Ministry following a decision made by Defense Minister L. Dobrovsky on 17 January 1991."

Cerovsky suggests that each party nominates two representatives to sit on the commission adding that "future development on the internal political scene will be very dramatic and the establishment of this commission and its activity is more than warranted." According to the letter, the commission should meet once a month.

He requests that "the issue of establishing the Octet's defense and security commission be placed on the agenda of the meeting convened for 14 February 1991 and that the responsible representatives of all the participating parties express their opinion on this matter." All members of the "Octet" will be sent a questionnaire which should be completed by the representatives nominated by them. Colonel Cerovsky adds that "information from this questionnaire will be transferred, for reasons of secrecy, to a computer and written documents will be destroyed."

In conclusion, ZEMEDELSKE NOVINY states that "for the moment, we will leave the above-mentioned report without comment."

Interior Minister Expands Ministry's Jurisdiction

AU0103095091 Prague MLADA FRONTA DNES in Czech 22 Feb 91 p 7

[Rostislav Rod commentary: "The Interior Ministry Still Keeps the Power; Has the Legislature Been Deceived?"]

[Text] The Office of the Federal Ministry of the Interior for the Protection of the Constitution and Democracy (U FMV OUD), established by Ex-Minister Sacher in February 1990, was abolished 20 December of last year. On the same day, Minister Jan Langos created by his order the secret Federal Information Service. According to the official news, the change took place because the penultimate Director of the Office, Jiri Muller, drafted a power concept for a new secret service that was unviable. The subsequent events, however, were just as remarkable.

The federal minister of the interior issued Order No. 13 whereby as of 19 December 1990 he removed a total of 590 so-called programmed positions from the U FMV OUD. This number represents the positions taken from the allotment to three departments in Section III—those concerned with the checking of correspondence. This concerns the staff of the central Office in Prague and of the regional offices in Ceske Budejovice, Plzen, Usti nad Labem, Hradec Kralove, Ostrava, Brno, Bratislava, Banska Bystrica, and Kosice. The federal minister's order added to this number an additional 42 positions from the Prague center of the independent foreign-press department. Thus, Minister Langos had 632 programmed positions at his disposal, and on 20 December he transferred them to his ministry—to the Communication Administration of the Federal Ministry of the Interior.

As a result, the Federal Information Service has in three departments of Section III only 148 programmed positions left.

On the same day, 20 December 1990, by Order No. 134, Minister Langos also established the new Investigative Service of the Federal Ministry of the Interior. It was formed from Section II of the Office for the Protection of the Constitution and Democracy and from the second departments at the regional offices, i.e., from the institutions involved, among other things, in shadowing people. These entities, altogether 843 programmed positions, received a new file number—and the minister has kept them under his direct supervision.

Mr. Muller was recalled from the post of director of the Office for the Protection of the Constitution and Democracy on 26 November of last year because he wanted a strong secret service under the legislature's full supervision.

At present, the leadership of the Federal Ministry of the Interior relies on the fact that, according to the bill on the Federal Information Service submitted by an initiative group of deputies, abettors of the Federal Ministry of the Interior, the legislature will take over the supervision of a kind of curtailed secret service of the Federal Information Service.

Engineer Langos, on the basis of a conceptually well-timed and well-planned game, commanded the earlier-mentioned entities into the structure of his office. In the framework of "reorganization," his ministry expanded by hundreds of people. These people certainly will be needed for the upcoming modernization of the Communication Administration, the satellite transfer of data, and the already tested digital telephone wiretapping.

Havel Comments on Role of Advisers

LD2702202391 Prague CTK in English 1602 GMT 27 Feb 91

[Text] Prague Feb 27 (CTK)—Czechoslovak President Vaclav Havel and his closest colleagues met with Czechoslovak and foreign journalists at the Prague Castle today.

Havel said that he has chosen friends with whom he cooperated since the very beginning of the Civic Forum as his closest co-workers. Their task is not to substitute for the government but to help the president.

The day of open doors was organized by the president's office on Havel's initiative.

Presidential Council of Consultants Abolished

AU0103060291 Prague RUDE PRAVO in Czech 26 Feb 91 p 2

[Vladimir Divis report: "The Council of Consultants Has Been Abolished"]

[Excerpt] The Council of Consultants—composed of well-known Czechoslovak personalities living mainly abroad and the CSFR president's consultative service—has, in his opinion, fulfilled its function and will no longer exist in its current form. M. Zantovsky, V. Havel's press spokesman, informed journalists of this at Monday's [25 February] news briefing in Prague.

Many changes are taking place in the economy, science, and technology section in the Office of the President. In the future it will fulfill an exclusively informative and consultative role. A replacement for R. Wagner, who recently resigned from his post as senior economic adviser, has still not been appointed. Apart from this, other personnel changes have taken place in the aforementioned section. [passage omitted]

Survey of Political Preferences Published

AU2802151691 Prague CTK in English 1718 GMT 26 Feb 91

[Text] Prague Feb 26 (CTK)—The response to the Civic Forum (OF) transformation from movement into a political party was not as positive as expected as only 26 percent of the persons polled at the end of January and beginning of February expressed their consent to it while 31 percent were against it, said the Public Research Institute today.

Most of the persons polled expressed concern that OF as a party would not defend the interests of the majority of people but only of some groups. Roughly one-third thought it would push through only the interests of its members or even of its leadership.

Only 10 percent think about entering OF as a political party, which is roughly one-third of its voters who represent 30 percent of the inhabitants of the Czech Republic.

The proportion of the potential voters for the main parties remains approximately the same as last October in the Czech Republic. In Slovakia, the position of the Public Against Violence [VPN]-Christian Democratic Movement [KDH] coalition is stronger. The two main opposition parties in the Slovak National Council, the Party of the Democratic Left [SDL] and the Slovak National Party [SNS] lost some of their voters after their internal changes.

The poll has shown that the trust of the people in the decisive political institutions is high again after a transitional period of decrease caused by disputes on the division of powers last December.

In the Czech Republic, just like last year, the biggest trust representing 89 percent is enjoyed by the president, and the majority of inhabitants trust also the national and the federal governments here (67 and 58 percent respectively) and the Federal Assembly (62 percent).

In Slovakia most people expressed their confidence to the Slovak Government (77 percent), followed by the Slovak parliament with 67 percent, the president, the Federal Assembly and the federal government. But with federal government distrust prevails over trust in the proportion of 51 to 44 percent.

A pronounced decrease in trust in national governments was noted in both republics between January and February 1991. In the Czech Republic it dropped from 79 to 67 percent and in Slovakia from 85 to 77 percent.

An interesting fact is that the Czech institutions enjoy bigger trust in Slovakia than the Slovak institutions in the Czech Republic. The proportion of trust and distrust in the respective governments is 36 to 33 in Slovakia while only 32 to 48 in the Czech Republic.

[Prague ZEMEDELSKE NOVINY in Czech on 27 February on page 2, under the headline "We Expect Bad Times To Come," publishes a "bau"- signed 700-word report on the same poll providing the following additional information: "If parliamentary elections were to take place tomorrow, in Bohemia, the OF would again come out victorious (32 percent). Other political forces are far behind—the Communist Party of Bohemia and Moravia shares the second place with the Czechoslovak People's Party, i.e., the Christian and Democratic Union coalition (8 percent each). In Moravia, most of those polled favored the OF (27 percent), the Movement for Self-Governing Democracy-Society for Moravia and Silesia was the second in popularity (18 percent), and the Czechoslovak People's Party (Christian and Democratic Union) was third (10 percent). In Slovakia, the Public Against Violence movement still is the most popular party (24 percent), the Christian Democratic Movement and the Slovak National Party follow (16 percent each)."]

Industry Protests Government's Policies

AU0103060391

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 26 February on page 3 carries a 1,400-word "Petition of the Czech Republic and Slovak Republic Unions of Industry to the CSFR Federal Assembly." The petition, which was issued in Prague on 16 February,

draws attention to the "threat of the collapse of the entire national economy" as a result of the "ill-considered restrictive fiscal, credit, and monetary policy of the Federal Government." It requests the Federal Assembly's help in dealing with the financial problems of the Czechoslovak industry.

The authors of the petition warn that the government's failure to deal with the financial problems of Czechoslovak industrial enterprises, whose debts increased from 53 billion korunas at the end of 1990 to 77.6 billion at the end of January 1991, endangers the existence of these companies, which include good and efficient companies producing competitive and sought-after goods.

The petitioners demand the easement of the restrictive credit policy and help with companies' debts resulting from, among other factors, the trade embargo on Iraq, the unification of Germany, the collapse of the Soviet and other CEMA markets, the conversion of the arms industry, the government's lack of a concept for the nuclear power industry, and investment projects from the 1985-89 period that had been "imposed" on the companies. They also emphasize the importance of "state intervention" in the present "period of transition," such as tax relief, "temporary protection of selected branches" against imports, promotion of exports, state orders, and subsidies for companies "with a future."

The petitioners appeal to the Federal Assembly to deal with their petition immediately because the 30-day deadline for dealing with petitions is too long and "Czechoslovak industry could become paralyzed during this period."

Organization Head on Ban of IOJ From Country

AU2802142791 Prague CTK in English 1005 GMT 25 Feb 91

[Text] Prague Feb 25 (CTK)—"We have not received any official notice from the responsible institutions," an International Organisation of Journalists (IOJ) official told CTK, commenting on the Czechoslovak Government's November 1990 decision to banish IOJ from the country.

"As long as we have not been informed through official channels, we consider that nothing has actually happened," said IOJ Secretary General Gerard Gatinot. According to Gatinot, IOJ representatives found out that they had to terminate their activities in Czechoslovakia only through articles published by CTK and in the newspapers.

Founded in 1946, the officially stated aim of the IOJ is to defend the freedom of the press and of journalists and to promote their material welfare. Their activities include the maintenance of international training centers and international recreation centers for journalists. The decision to base IOJ in Prague was made at the organization's 1947 congress.

"On December 9 of last year, I wrote letters to President Havel, Federal Assembly Chairperson Alexander Dubcek, and Federal Prime Minister Marian Calfa, in which I requested a clarification of the situation," explained Gatinot. "So far only Mr. Dubcek has responded to me, through (Deputy Chairperson) Mr. Jicinsky, who told me that this problem does not concern him and that he would pass it on to the Prime Minister".

Gatinot said that less than a month ago he initiated contact with the Federal Ministry of Foreign Affairs and set up a meeting. However, due to the ministry's preoccupation with the Persian Gulf crisis, the meeting never took place.

The IOJ's 11th congress held in Zimbabwe last month passed a resolution expressing disappointment in its failure to defend Czech and Slovak journalists sacked from their jobs after the 1968 Soviet invasion. The IOJ's secretariat was charged with the creation of a special fund for the compensation of those journalists.

Also to be created is a commission for the evaluation of the history and current state of relations between IOJ and Czechoslovak journalists. The commission is to inform the Czechoslovak authorities about its activities and convey to them the congress's wish for the IOJ headquarters to remain in Prague.

Asked what its departure from Czechoslovakia would mean for the IOJ, the secretary general replied that it would create many complications. He said that the IOJ was dealing with the problem, noting that there were proposals at the congress for the seat to be moved to Berlin, Paris, or Brasilia.

"However, I believe the best place for our secretariat is Prague," said Gatinot. "In my opinion, economic affairs are mainly a problem of administration. I do not feel adequately qualified to solve (these problems). Detailed discussions and expertise will be necessary for that."

Mohorita Criticizes Development Within KSC

AU2802203191 Prague RUDE PRAVO in Czech 23 Feb 91 p 2

[Interview with Vasil Mohorita, former first secretary of the Communist Party of Czechoslovakia, by Vaclav Pergl; place and date not given: "Vasil Mohorita Is in Favor of Convening a Nationwide Communist Party of Czechoslovakia Conference. The Reason: Part of the Federation Is Digressing From the Conclusions Reached at the !8th Congress"; first paragraph is RUDE PRAVO introduction]

[Excerpts] Hardly anything is heard these days about Vasil Mohorita, the man who—until recently—was No. 1 in the Communist Party of Czechoslovakia [KSC].

[Pergl] You "disappeared" from the KSC's main political scene after the 18th congress. With the passage of four months, how do you view the party's continuing transformation?

[Mohorita] In contrast to the changes that are taking place in the Slovak part of the KSCS federation, various opinions have been expressed in recent weeks by Communist Party of Bohemia and Moravia [KSCM] Central Committee apparatus functionaries and staff—in statements and speeches—that give the impression that attempts are being made to reintroduce centralistic and authoritarian conditions into the party. It seems to me that an atmosphere of rigid unity could return to the party. The propagators of these opinions leave no one in doubt about the fact that there is no place in the KSCM for the reform streams and views that, prior to the 18th congress, were so appropriate for the party.

[Pergl] Disappointment at not being elected to the leadership is surely reflected in these statements?

[Mohorita] [passage omitted] I am a member of the federation's council. I have a right to my own opinion. In my opinion, it seems that virtually all reform attempts within the KSCM are being restricted; those who express an opinion different from the official points of view held by some leading functionaries and apparatus staff are being intimidated. Many advocates of party purity are raising their heads, standing up, and even seeking advice from those who led our party and society into the situation that prevailed before 17 November 1989. Efforts are being made to make the current situation in the membership base more conservative, to base the party on so-called old guard manipulators, and to intoxicate it with memories of the good old days and with dangerous social populism. This kind of policy presents a dangerous opportunity for sliding into the position of a party that will only lose—both members and voters as well as the possibility of ever influencing anything in this country. [passage omitted]

[Pergl] The discussion on changing the party's name is also associated with the party's departure from the past. Are you in favor of changing its name?

[Mohorita] Yes. I think the issue of changing the party's name should on the agenda. Not that it is not. Thanks to manipulation by some experienced intriguers, the KSCM Olomouc congress balked at resolving cadre issues. This fundamental error is being manifested right now when the KSCM is obliged—in the interest of its voters—to take practical steps as real evidence that we want to change the party's name.

[Pergl] These are rather categorical judgments. What are they based on?

[Mohorita] [passage omitted] Many fundamental changes have taken place in society since the 18th KSC Congress. Let us take the Civic Forum [OF] as an example. Unfortunately, part of the KSC federation is digressing from the line of the 18th congress just as the OF is digressing from its electoral program. I think it would be in order to convene a nationwide KSC conference to clearly state how fulfilling the conclusions reached at the 18th congress appears in comparison with reality, to state who is striving for what in the party, and to state how the KSC will react to the quickly changing domestic and international situation and to economic and social changes.

[Pergl] RUDE PRAVO is a left-wing newspaper. Despite this, some people are constantly saying that it should reflect KSCS internal life. Do you also feel the same way?

[Mohorita] No; however, I have the impression that some of our functionaries are artificially inciting a campaign against it. Today it seems to me that they would like to control RUDE PRAVO and to determine what it should write. Not all of them would like to do this out of conviction, but to guarantee their material requirements and to laud their political representatives. [passage omitted]

Treaty Talks With Germany Begin in Prague

LD2702201791 Berlin ADN in German 1555 GMT 27 Feb 91

[Excerpt] Prague (ADN)—A first round of talks on the planned German-Czechoslovak framework treaty, which is to replace the "normalization treaty" of 1973, began in Prague today. Bonn's authorized representative is Ambassador Dr. Wilhelm Hoeynck, while Prague has nominated Deputy Foreign Minister Zdenek Matejka as its authorized representative.

The Czechoslovak Germany expert, Dr. Otto Klicka, told ADN that the treaty, which will possibly be called the "treaty on good-neighborliness and cooperation," is meant to underline the past and to create a foundation for future bilateral relations. [passage omitted]

Reportage on Dienstbier Visit to Brussels

WA0228171091

For reportage on the visit by Jiri Dienstbier, deputy prime minister and foreign trade minister, to Brussels, including reports on his talks with NATO Secretary-General Manfred Woerner, see the INTERNATIONAL AFFAIRS section of the 28 February West Europe DAILY REPORT and subsequent issues.

Soviets Guarantee Payment for Bus Shipment

LD2702213191 Budapest MTI in English 1756 GMT 27 Feb 91

[Text] Budapest, February 27 (MTI)—Soviet payment guarantees for the purchase of buses and components valued at 20 million dollars have been received by the Hungarian Credit Bank, meaning that delivery of 226 buses altogether coming to this amount can begin.

An official of the Mogurt Vehicle Foreign Trade Organization, which markets the buses, told MTI on Wednesday that the letters of credit are for buses coming to a total of 15 million dollars, and for components coming to a total of 5 million dollars.

The deliveries have begun, and it is to be hoped that further payment guarantees will arrive as this amount is only a tenth of the amount which the Soviet partner originally ordered for the first quarter of the year. The original contract was signed for the purchase of 2,000 buses costing over 200 million dollars by April.

Financial Talks Held With CSFR Bank President

LD2702225191 Budapest MTI in English 1840 GMT 27 Feb 91

[Text] Budapest, February 27 (MTI)—Josef Tasovsky, president of the Czechoslovak State Bank, and head of a Czechoslovak delegation to Budapest, held talks with Gyorgy Suranyi, president of the National Bank of Hungary, and several leaders of the bank, in Budapest on Wednesday.

The agreements signed as a result of the talks enable citizens from both countries to keep buying koronas and forints in exchange for their national currencies.

Under the terms of the agreement, and following mutual co-ordination, the total amount of cash allowed into Czechoslovakia will be raised from 600 to 1,000 koronas, within a few days. Tourists can purchase travellers cheques for more than this amount.

Leaders of the banks also exchanged views on current economic and financial issues.

Nationality Programs Switch to Romanian Broadcast

LD2702103391 Budapest Domestic Service in Hungarian 2100 GMT 26 Feb 91

[Levente Sukosd report from Bucharest; date not given]

[Text] The news that a significant part of the Hungarian and German language programs of Romanian television have been transferred to Channel 2, which has a limited reception range, created a sensation a few weeks ago. Tonight Teodorescu, chairman of Romanian television, announced some even more astonishing news. According to plans, the nationality programs will be fully transferred to Channel 2 in the near future. Furthermore, these programs will be broadcast in the official language of the country—that is, in Romanian. Only a couple of films in Hungarian and German, which will be shown with Romanian subtitles, will be an exception. It has not been said yet, but is definitely obvious from the statement of the chairman, that the ultimate aim is to gradually transfer the Hungarian and German programs to the studios in Cluj and Sibiu. According to Bucharest opinion, taking into consideration the present political situation, this announcement can be regarded as a further step toward the termination of the nationality programs.

Reportage on Jeszenszky Visit to Austria

WA0228180691

For reportage on the visit by Foreign Minister Geza Jeszenszky to Austria, including reports on his talks with Austrian Foreign Minister Alois Mock, see the Austria section of the 28 February West Europe DAILY REPORT and subsequent issues.

MDF's Horvath Attends Coexistence Meeting

AU2802115891 Budapest MTI in English 1832 GMT 24 Feb 91

[Text] Kosice, 24 February (MTI)—The Hungarian Democratic Forum (MDF) strives to establish and deepen relations with the non-Hungarian political movements in Sub-Carpathia, Slovakia, Romania, and Croatia that are prepared to help the Hungarian communities living beyond the borders, and encourage their governments to pursue sound policies toward the national minorities. The MDF seeks to cooperate with these movements no matter whether they are in power or in opposition, Balazs Horvath, MDF executive president and minister without portfolio in charge of the affairs of Hungarian minorities beyond the borders, told journalists in Kosice. Horvath headed an MDF delegation to the Kosice congress of the Coexistence political movement.

The MDF has managed to establish contacts with Coexistence since the two organizations have adopted similar political philosophies, Horvath said.

The politician said that Hungary could help the Hungarian minorites living beyond the borders the most efficiently if it pursued an appropriate policy toward its own minorities. He termed it particularly important for Hungary to enact a law on the protection of national and ethnic minorities by March.

Mayor on 'Squatters,' Certificate of Poverty

AU0103120491 Budapest MAGYAR HIRLAP in Hungarian 25 Feb 91 p 2

["S.E."-signed interview with Budapest Mayor Gabor Demszky; place and date not given: "Squatters Have To Leave by 30 April"]

[Excerpts] [MAGYAR NEMZET] Mr. Demszky! Toward the end of November 1990, you said that you would definitely not evict squatters during the winter. Come spring, however, these squatters will find themselves on the street. What are your plans? What will happen to the squatters?

[Demszky] That is a complicated question. Let us start from the beginning. In November, not long after my election, I made a suggestion to the mayors of Budapest's districts. Naturally, it was only a suggestion, because I have no right to issue orders on housing issues or other matters. In my letter, I asked the mayors to refrain from evicting poor squatters until 30 April. I drew the mayors' attention to a section in a 1971 government decree. I pointed out that squatters—who belong in the mistrustful, illegal category—have a right to temporary accommodation, rented rooms, a rented bed, or a dormitory. Such squatters can also be made to move back to their former apartment. That is why I suggested that the mayors consider all possible solutions, and that they apply the relevant rules according to their own circumstances. In other words, I did not want people to be evicted, I wanted them to be placed somewhere, if possible.

Suggestion

[MAGYAR NEMZET] Is there any guarantee that those who are evicted on the morning of 30 April will find somewhere to sleep on the evening of that day? Will there be enough room, beds, or temporary lodgings?

[Demszky] The problem is that if these squatting families—from the IXth district, for example—are thrown out of one apartment, they will probably move into an apartment next door or into an empty apartment in another district. That is why we should have a standard regulation on this matter. Indeed, the districts that did not accept our suggestion and where evictions are taking place—as far as I know, we are talking about the IXth, XIVth, and IVth districts—are having to face precisely this problem. We asked the districts to make a distinction. We asked them to weigh the circumstances and give preferential treatment to those who have a valid claim to an apartment in the capital. The district authorities should primarily try to accommodate such families in temporary lodgings. [passage omitted]

[MAGYAR NEMZET] Have you considered reintroducing a certificate of poverty? As ID cards, these certificates are not too flattering for their bearers, but they would offer a lot of free services for the poor.

[Demszky] Yes! Representative Soos has submitted a motion to the Budapest City Council [Fovarosi Kozgyules] that recommends the introduction of a certificate of poverty. Such a certificate would guarantee free medicine and food for the poor. Several committees have looked into the issue, and they have taken up conflicting stances. Personally, I think that the certificate could only be introduced on a national scale. We should deal with it within the framework of our social security system. Just imagine if the decree stated that certificates of poverty existed in Budapest, but not elsewhere. I am not against a certificate of poverty, although I think that the name has an old-fashioned and pejorative connotation.

Welfare Minister Surjan on Compensation Bill

AU2802115591 Budapest MTI in English 1728 GMT 23 Feb 91

[Text] Budapest, 23 February (MTI)—"It would be an exaggeration to expect the compensation bill to become a tearing test for the government. The issue of compensation could never be settled correctly, but a kind of consensus would be required in any case, since the soonest possible clarification of ownership issues lies in the interest of the country. It would be a political self-goal if it were thwarted just by the Independent Smallholders' Party. The Smallholders will remain in the coalition, and the Christian Democrats are prepared to play the role of a bridge in the course of negotiations," [Social Welfare Minister] Laszlo Surjan, president of the Christian Democratic People's Party, told journalists during the session of his party's executive committee in Budapest on 23 February.

Constitutional Committee on Civil Code Amendment

LD2702210791 Budapest Domestic Service in Hungarian 1700 GMT 27 Feb 91

[Text] The National Assembly Constitutional Committee considered the proposal submitted for amendment of the Civil Law Code unsuitable for general debate. The draft prepared by the Ministry of Justice does not declare that the state is the same kind of owner as any other organization or person, said the deputies. The proposal interprets the circle of exclusive state property in too-wide a sense, and it does not drastically reform the expropriation rights that were earlier criticized a great deal. However, the deputies agreed that in the future the state should be a legal entity, thus suable. They have also accepted that its legal representations should perhaps be carried out by a new body, the Treasury's legal office; however, they considered it necessary that the Civil Law Code should be weeded paragraph by paragraph with the same thoroughness which was earlier applied to the Constitution so there will be no contradiction between the two laws in the future.

The Supreme Prosecutor's Office asked for the stance of the Constitutional Committee regarding the matter of breeching official secrets by deputies. Following the 18 December closed session of the National Assembly, several petitions arrived at the Prosecutor's Office in this matter. The body has difficulty taking stances, because on the basis of the present laws, it is extremely complicated defining what qualifies as a state secret and where the deputies' authority ends and their irresponsibility begins. Therefore, the Supreme Prosecutor's Office urges the National Assembly to decide: Are there limits to the deputies' right to disclose facts and give an opinion if the matter is actually a state or official secret.

U.S. Victory Brings 'Enormous Responsibility'

LD2802123391 Warsaw Domestic Service in Polish 1105 GMT 28 Feb 91

[Commentary by Jan Gadomski]

[Excerpt] [passage omitted] The United States as such and President Bush personally have achieved an unquestionable triumph. They have consolidated the victorious position in the world being created after the cold war. But by the same token, people in Washington have taken an enormous responsibility upon themselves, one that goes far beyond the particularistic interests of the United States. It is in the interest of the world that they show themselves ready to bear that responsibility.

Statement Welcomes Gulf Cease-Fire

LD2802202591 Warsaw PAP in English 1906 GMT 28 Feb 91

[Text] Warsaw, Feb. 28—Following is the text of a statement made today by Poland's Foreign Minister Krzysztof Skubiszewski following the ceasefire in the Persian Gulf.

"The government of the Republic of Poland has welcomed the ceasefire in the Persian Gulf region and the freeing of Kuwait from foreign occupation.

"The government of the Republic of Poland expresses satisfaction over the return of constitutional state bodies to Kuwait. An urgent task will be to repatriate prisoners of war and civilians deported from Iraq, to free other civilians detained in Iraq, to help the harmed civilian population in Iraq and Kuwait and to rebuild Kuwait and reconstruct civilian buildings in Iraq.

"Poland is ready to participate in such aid and reconstruction. It is necessary to eliminate the policy of violence, the use of force and expansion, and to remove the sources of such a policy. Poland endorses the concept of establishing in the Middle East a system of security and cooperation preventing armed conflicts.

"It is necessary to fully implement all the resolutions of the U.N. Security Council concerning the Persian Gulf conflict.

"Poland attaches fundamental significance to the restoration of peace in the Gulf region and wants to develop relations with all the states in that region. A lasting peace is a precondition of fruitful and mutually advantageous cooperation."

Soviet General Assailed for 'Arrogant Behavior'

LD2802170791 Belgrade TANJUG in English 1325 GMT 28 Feb 91

[Text] Warsaw, February 28 (TANJUG)—There is a legal possibility for the commander of the Soviet forces in Poland, Gen. Viktor Dubinin be declared persona non grata because of his "arrogant behavior toward Polish authorities," Polish Foreign Minister Krzysztof Skubiszewski stated on Thursday.

The Soviet general recently accused Poland of "aspiring to represent the Soviet troops as an occupying force, as international offenders and proposed that they be transported from Poland as war prisoners - in closed and sealed Polish freight cars."

The Polish foreign minister described the accusations against Poland that it wished the profit from the transit of Polish troops from Germany, as persistently set out by the Soviet Union, as ignorance and/or ill will. He explained that the planned transport of 11,000 trains and 3,000 columns with 200 vehicles would cause huge material damage to the roads.

The efforts to have the Soviet troops withdrawn from Poland as soon as possible have so far met with no effect. The text of the agreement has been completed, but the deadline as proposed by the Soviet Union—mid-1994—was unacceptable. Warsaw demands that the withdrawal be carried out by the end of this year, Skubiszewski said.

Commentary Calls For Total Dissolution of CEMA

AU0103114991 Warsaw ZYCIE WARSZAWY in Polish 26 Feb 91 p 2

[Agnieszka Wroblewska commentary: "Is There A Need for CEMA?"]

[Text] For over 40 years, CEMA, an organization that affiliated all the countries of the Soviet bloc, tried to square up to the countries with a free market economy. CEMA began with great enthusiasm and a firm conviction that its model of a socialist economy was vastly superior to the chaos of the market economy. Very soon it became obvious that any talk of competition was simply absurd. For years it was thought that the problem lay in CEMA's unwieldy structure, poor organization, and so forth. The real cause, however, was much deeper; namely, the inefficiency of the economic systems in the countries which made up the CEMA bloc. The real cause lay in the artificial conceptions, illusory competition, and simulated cooperation.

In line with "a radical change," a proposed new organization (the OMWG), [expansion unknown] is to rise up from the ashes of the old one. It would no doubt employ the same functionaries, its headquarters would remain in Moscow, and the working language would no doubt continue to be Russian. The aim of this new-for-old organization would again be the development of economic ties with the same CEMA countries, thus with Cuba, Vietnam, and Mongolia. The integration of these three economies into the world economy may prove to be beyond the powers of, for example, Poland, which is now more preoccupied with securing its own position on the world market. The proposed new organization would no doubt have the power to enter into international

agreements in the joint name of all participating members, as well as civil law agreements, and to acquire and dispose of property. It would doubtless also be empowered to decide on establishing relations and contacts with other countries, to adopt its budget, and so on.

The proposal to establish the OMWG would at first sight appear to be a forward-looking proposal, but only if put in the context of the former historical period. The proposal is yet another "radical change" of the long-serving CEMA, and that organization has undergone several such changes in the past.

Poland needs economic cooperation with its neighbors—and not just neighbors—on terms that will bring it closer to Europe, but not the kind that will encumber it with unwanted baggage of diverse and formal complications. We need bilateral and multilateral agreements and an old-style structure will not be the best vehicle to achieve this.

There still remains the question of what is to happen to the property owned by CEMA in Moscow, property that was contributed to by all CEMA member states. It remains unclear what is to happen to all the buildings, banks, and so forth, after the moribund CEMA giant is dissolved. A moribund organization, even though it still has an intact hollow shell, should not be retained to perpetuate bygone and outdated issues.

Skubiszewski Comments on Relations With Lithuania

LD2702214291 Warsaw Domestic Service in Polish 1800 GMT 27 Feb 91

[Text] The changes taking place in both countries make it necessary to reconstruct relations between Poland and the Soviet Union and to arrange them on the basis of good neighborliness, partnership, and mutual advantage. That is why it is an important thing to sign a treaty with the Soviet Union that would replace the present allied agreement in force, Minister Krzysztof Skubiszewski said during a meeting of the Sejm Foreign Affairs Commission. Here is what he said about relations with Lithuania.

[Begin Skubiszewski recording] There are various visits, both governmental and parliamentary. I am going to Lithuania when the Lithuanian minister of foreign affairs returns from his overseas trips. I have an invitation from the chairman of the Supreme Council, Landsbergis, and thus I can take that invitation up, but I do not attack such great importance to these matters. Let us call them those of competence and procedure. Thus, at an appropriate moment I will go to Lithuania, and if it is a question of maintaining relations, Lithuania can open an information center in Poland. That is entirely up to them. If they have not opened one until now, it obviously was not within their immediate intentions. If it is a question of reciprocity, we are more advanced as we have a consulate in Vilnius. [end recording]

Solidarity Presidium Discusses Election Program

LD2702231891 Warsaw PAP in English 2120 GMT 27 Feb 91

[Text] Gdansk, Feb. 27—At its first meeting after the national congress of delegates, the Presidium of the Solidarity National Commission here today developed a concept to set up new task groups of the National Commission to prepare the Solidarity's electoral programme before parliamentary elections.

In connection with the process of privatizing the economy, the Presidium voiced opinion that it was necessary for a Solidarity delegation to meet the Ministry of Ownership Changes to fully learn government plans and only later to prepare Solidarity's stand on privatization and to possibly old Solidarity-government talks. A team for preliminary talks was appointed.

In its statement on the situation in Cuba, the Presidium supported the struggle of Cubans for their rights and expressed hope that also Cuba would soon join the family of democratic states.

The debaters decided to hold the coming plenary meeting of the national commission on March 15.

Election Rules Negate Spring Date Possibility

AU0103112591 Warsaw RZECZPOSPOLITA in Polish 26 Feb 91 p 1

['K.Gr' report: "The Presidential Timetable"]

[Text] If the parliamentary election is to take place on 26 May, the president has to make the decision by 15 March. In that case, the president's decision would be published in the DZIENNIK USTAW [LAW DIARY] on 21 March and the State Election Commission appointed on the same day. This schedule was presented at a news conference by Andrzej Breitkopf, secretary of state in the Presidential Chancellery.

According to the schedule, 21 days after the decision, i.e. 4 April, the State Election Commission would appoint the voivodship election commissions. The national lists of candidates would be placed before the State Election Commission on 16 April, the voting districts would report the names of the candidates to the voivodship election commissions and publish information on the voting districts on 21 April, details of the candidates and the national voting lists would be published on 2 May, district election commissions would be appointed by 5 May, and lists of voters would be prepared and published by 11 May.

Jaroslaw Kaczynski, chief of the Presidential Chancellery, who attended the news conference, said that the election rules currently being prepared by the Sejm Constitutional Commission rule out the possibility of a spring parliamentary election. They would interfere with the consolidation of political parties and cause an election battle between members of the same party, he said.

Professor Geremek, he added, is still thinking in terms of the present parliamentary deal. "When we placed our initiative before the Sejm, we did not want society to think that a spring election is impossible," said Kaczynski. "The election rules being prepared by the Constitutional Commission would compel the forces represented in the Sejm to declare whether or not they want a spring election, which they have already called for several times. However, the election rules that we suggest do permit the election to be held on 26 May."

Jaroslaw Kaczynski said that the question of how long the present Sejm would continue in office is unresolved. "In some countries, the outgoing legislature meets until the first session of the new legislature," he said.

Presidential Security Bodies Described

AU2802130991 Warsaw POLSKA ZBROJNA in Polish 25 Feb 91 p 3

[Article by Colonel Roman Kulczycki, professor of defense analysis and forecasting at the National Defense Academy: "Bureau for the Security of the Republic of Poland"]

[Text] The mass media has already informed us about components of the System for the Coordination of the Security of the Republic of Poland such as the National Security Council and the Bureau of National Security. We are also familiar with the composition of the Council and its tasks and know that its chairman is the president and that the secretary should be the minister of state with responsibility for the security of Poland. We also know that Jerzy Milewski has been appointed head of the Bureau of the National Security Council.

Yet the average citizen knows little about the bureau itself: What organizational structure is it to have, what tasks, and whom will it serve and how, and is it at all necessary?

Let us just remind ourselves about the Secretariat of the National Defense Committee, which the office is to replace. We know that the work of the secretariat focused on the resolution of military and political problems that were closely connected with the Warsaw Pact. The organization was frequently made to carry out tasks that were incompatible with its basic purpose.

The situation in Poland and Europe has now changed. Apart from the military threat to Poland, nonmilitary threats—mainly political, economic, psychological, ecological, and internal—have grown in importance. That is why the Secretariat of the National Defense Committee should be replaced by a new organization with a different structure, one that will perform different tasks.

Concern about Poland's security dictates that the military tasks performed by the bureau that will replace the National Defense Committee Secretariat should only constitute one of the many tasks that are to be carried out within the general framework of the security system of Poland. The new threats to the state require countermeasure subsystems that can adequately deal with their effects. Such subsystems are sometimes more costly and call for more precision than the system needed for the military defense of Poland.

The involvement of the office in coordinating state security policy will increase significantly. It will be very complicated, but, at the same time, essential. We should work out a structure for the bureau that will enable it not only to coordinate Poland's security policy regarding military threats, but also regarding nonmilitary threats, which now pose a much greater danger. This constitutes a new way of viewing the tasks and role of the Bureau for the Security of the Republic of Poland. It would be a mistake to restrict the bureau's tasks to military threats. Such tasks could be successfully performed by the Ministry of National Defense directly, without the participation of the bureau.

The existence of the bureau as a coordinator of security policy in Poland only makes sense if the scope of its activity extends beyond military threats and encompasses at least the main nonmilitary threats posing the greatest danger to Poland. It will analyze them, make forecasts, and present the president and his council with the results of comprehensive research in the form of proposals designed to counter their consequences. After considering the proposed countermeasures and methods, the council will convey them to executive subsystems, which should include some of the ministries, for example, the Ministry of Foreign Affairs, the Ministry of National Defense, the Ministry of Environmental Protection, Natural Resources, and Forestry, and the Ministry of Health and Social Welfare, as well as other state structures that are prepared to deal with such threats.

This systematic approach to ensuring the security of Poland makes it effective and, in terms of structure, compatible with the systems that already operate in Western states.

So, what kind of organizational structure should the bureau possess to satisfy the general security requirements outlined above.

The bureau should create three teams that will closely cooperate with one another: a legal and organizational unit; a unit for strategic planning pertaining to security; a unit for the coordination of the security policy; and an institute for the security of the Republic of Poland.

The first would perform the function of a secretariat for the Security Council of the Republic of Poland. It would deal with tasks concerning the organizational, legal, and technical preparation of council meetings, legal documents, the recording of documents and their storage, and the provision of administrative services.

The second and third units will cooperate with the institute for the security of the Republic of Poland, carrying out tasks connected with analyzing, planning, coordinating, and making forecasts about the security

policy. The units trained to carry out these tasks would make up the headquarters of the Central Body for the Coordination of Security Policy of the Republic of Poland. There the president would perform his function from the Security Office, which would contain special technical installations. The rooms would also serve as a specially protected area for meetings of the Security Council and would, at the same time, serve as the president's war room.

The main functions of the unit for strategic planning pertaining to security policy would be performed in conjunction with the institute of security and should include:

—the ongoing analysis and development of security policy and the formulation of forecasts;

—the formulation and updating of Polish defense doctrine and strategy;

—the formulation of concepts concerning the System for the Coordination of Poland's Security Policy;

—control over the performance of tasks by means of executive subsystems in the ministries (only regarding security);

—the formulation of concepts and the coordination of tasks within the System for the Security of the Republic of Poland in times of peace and war;

—the organization of supervision concerning preparations on the part of the System for the Security of the Republic of Poland for dealing with dangers and their consequences.

Different tasks should be performed by the unit for coordinating security policy and the Republic of Poland institute of security. These tasks involve providing services to the System for the Security of Poland and, in the main, the provision of services to the Central Bodies for the Coordination of Security Policy. The main tasks should include the following:

—the ongoing gathering, accumulation, and processing of information about dangers, including their causes and effects,

—the preparation of technical units for the Central Bodies for the Coordination of Security Policy, as well as in the regions (in the ministries, and so on);

—the ongoing provision of services to subsystems for the coordination of diplomatic, economic, ecological, internal affairs, as well as psychological, military, and other policies;

—planning and coordinating communications between executive components of the System for the Security of the Republic and the Central (stationary, mobile, reserve) Bodies for the Coordination of the Security System;

—documenting the results of analyses and forecasts concerning dangers and their effects.

A special role in coordinating Poland's security policy should be performed by the security institute. It is to provide an intellectual infrastructure to the Security Council and the aforementioned units belonging to the bureau. The specialists working at the institute—diplomats, political scientists, psychologists, economists, ecologists, national security specialists, and professional military strategists—would use the latest research methods to conduct ongoing assessments of possible threats as well as forms, methods, and means of preventing and dealing with the effects of such threats.

Equipped with computers, the institute would, on the one hand, pursue research to find optimal solutions to difficult problems connected with combating dangers and, on the other hand, it would provide a modern instrument for gathering, accumulating, storing and distributing information for the Central Body for the Coordination of Security Policy. The establishment of a Polish security institute could be a valuable Polish initiative toward creating a European or even a world institute of security that would operate according to similar principles.

Security institutes in individual states, including the Republic of Poland security institute, could serve as the pillars of such institutions. With this kind of institutionalized European or world assessment of dangers, we could avoid many dangers that could be fatal to the inhabitants of this planet. Perhaps, we would then have no conflict in the Persian Gulf and other, nonmilitary problems, for example, economic and ecological ones.

A Bureau for the Security of the Republic of Poland organized in this way and attached to the Chancery of the President of the Republic of Poland should be the executive body of the Republic of Poland Security Council. It should organize and see to the realization of tasks assigned to the secretary of the council and pursue activities connected with the exercising of presidential powers regarding security. The ongoing work of the bureau should be directed by the head of the Bureau for the Security of Poland. He should be appointed to the post by the president, acting on the recommendation of the minister of state with responsibility for the security of Poland.

The bureau would be attached to the Chancery of the President and would be financed out of its budget. The Chancery's budget for state security purposes should not only be financed with Ministry of National Defense resources, which has been the case until now, but also by other ministries involved in combating dangers within the framework of the Security System.

I am convinced that a bureau of this kind could be organized by reorganizing existing military and civilian institutions that are currently partially involved with security issues and that this would not result in any additional costs being incurred.

Michnik on Political Situation, Walesa

AU2802171391 Vienna AZ in German 28 Feb 91 pp 8-9

[Interview with Adam Michnik, chief editor of GAZETA WYBORCZA and Solidarity member, by Tessa Szyszkowitz and Georg Hoffmann-Ostenhof; place and date not given: "Adam Michnik: 'I Am Not an Asiatic Village Idiot'"]

[Text] [AZ] Walesa's gigantic triumph in the presidential elections greatly weakened the group around Michnik and Mazowiecki. Has the process of the liberals' recovery already been initiated?

[Michnik] It is still too early to answer this. It is certain that President Walesa's electoral victory was not as triumphant as it was presented; there was a very large group of nonvoters. Moreover, a certain disappointment is now spreading among the people because pots of gold were promised to them, and these promises are not being kept. At present, the most dangerous thing in Poland—not only in Poland, but in all so-called postcommunist countries—is the possibility of a kind of Balkanization and chaos. A way out of the chaos is only possible in the form of a dictatorship, because chaos cannot be reformed.

[AZ] You do not really believe that a dicatorship is imminent in Poland now?

[Michnik] Not a communist dictatorship, there are also other forms of dictatorships, not necessarily a communist one, certainly not, but, as I have said, there are also other forms.

[AZ] But a candidate for a dictator is not seen? Stanislaw Tyminski (millionaire and presidential candidate, who promised enormous wealth to the Poles) was a caricature.

[Michnik] Do you think that, in the course of their history, several European states had numerous caricatures who finally turned out to be wonderful material or wonderful stuff for a dictator? Tyminski is a phenomenon. Every fourth voter in Poland voted for a person because of promises. There is a large number of voters that can create a psychosocial basis for a dictatorship. These people voted in the first place against their own freedom, for which they struggled, and, secondly, against their own reason.

[AZ] Now all these things take place in a relatively civilized way, some of the ministers are even the same. Moreover, are credits from the West a barrier against authoritarian solutions?

[Michnik] First of all, I think that these credits are currently not realized. Moreover, Western countries sometimes prefer investments in authoritarian states to shaky democracies. Think of Pinochet in Chile.

[AZ] Last week there was a first climax in the confrontation between the Solidarity leadership and the government because of the strikes. The round of negotiations failed.

[Michnik] The talks are continued, but nobody can tell what their results will be. There are many indications that there will be new waves of strikes if a new political quality is not found in Poland. My political group proposed a new structural solution, that is, a political pact, a pact between all major political forces in the country that wants to prevent all that.

[AZ] A social partnership.

[Michnik] Social partnership, yes.

[AZ] And you can still talk to Walesa?

[Michnik] We even do this quite frequently. We have good, one can even say very good, personal relations. Walesa is even my son's godfather. I always include my critical remarks in.

[AZ] Does the president no longer complain about the Polish intellectuals who ruin the country?

[Michnik] On the contrary, at the moment we are peace doves. Of course, sometimes Walesa still says strange things on the radio. The main problem is that Walesa thinks that pluralism in political life means that everybody can infinitely love him and he is probably astonished that Bronislaw Geremek (leading liberal—the editors) and I do incessantly sing his praises.

[AZ] Can you give us a concrete example of the strange things that Mr. Walesa announced on the radio?

[Michnik] Salaries were frozen. In real terms, the incomes decreased by 30 percent. Walesa was asked in an interview whether he advocates the freezing of salaries or the free development of salaries. Walesa said that the salaries must, of course, not be increased, but the prices must be reduced—by 50 to 70 percent. Strange, is it not?

[AZ] One question that has relatively little to do with Poland: Is there also a discussion in Poland on the attitude toward the Gulf war?

[Michnik] From the political point of view, the most important consequence of the Gulf war was the Soviet invasion and the intervention in Vilnius and Riga. The Poles, who lived in a communist dictatorship for centuries, and not only in a communist dictatorship, understand very well that terrible things also happen without a war. The attitude of the Polish policy as such is clear, the Security Council stipulations and the UN resolutions must be observed.

[AZ] When you were asked what your political position is, you said once: West of the center.

[Michnik] You see, we are currently living in a time of a political language crisis. All classic terms that have been

used so far are actually outdated or are tinged with something. I do not think that the term left is insulting, but it is outdated. The group around Walesa called itself the "center." When I was asked what is now my position in relation to the center, I said: West of it. I only wanted to say by this that I am not an Asiatic village idiot who wants to replace a totalitarian utopia by another totalitarian utopia and Asiatic communism by Asiatic anticommunism.

[AZ] What does this mean in concrete terms?

[Michnik] Nobody knows how to get back from a communist economy to a free market economy. There is a famous anecdote about the fish soup and the aquarium. An aquarium can be turned into a fish soup, but nobody knows how a fish soup can be turned into an aquarium. However, we must find a solution, or otherwise all will come to Austria....

[AZ] Welcome.

Solidarity Must Protect Hard-Won Reforms

AU2802192391 Warsaw TYGODNIK SOLIDARNOSC in Polish 22 Feb 91 p 19

[Interview with Marian Krzaklewski, candidate for the post of chairman of Solidarity and member of the Solidarity National Commission for Industrial Sectors and Professional Matters, by Ewa Matuszewska; place and date not given: "A Normal, Boring Trade Union?"]

[Text] [Matuszewska] What sort of qualities should the union's future chairman have. Is he taking over Walesa's Solidarity legacy?

[Krzaklewski] This is a time for professionals who have a track record of trade union activity and career experience; people who remained on the sidelines of previous political agreements and who will defend the independence of the union from political parties and centers. We need somebody who has a persistent attitude to their daily work and activity, someone who is a conciliator.

[Matuszewska] It seems to me that union leaders often have very strong characters and conciliators do not.

[Krzaklewski] When I speak of a conciliator, I am thinking more of a person who will not generate conflicts but will not run away from them. Conflict is almost an inherent component of union activity and the qualities of resolve and efficiency in defusing it are very important for a union leader to have.

[Matuszewska] You seem to think that the future chairman of "Solidarity" should be nonpolitical, but it looks unlikely that the union will be able to shed its political commitment.

[Krzaklewski] For the time being, we will have to bear the burden we took upon ourselves when we decided that we would spearhead reforms. Our systemic and economic changes are still threatened by postcommunist remnants. The National Trade Union Confederation [OPZZ] and related unions have tried to pass themselves off as true trade unions by trying to champion workers' grievances. Its current moves have a political dimension and reject the concept of a reforming union at a difficult time for our young democracy. Some Western trade unionists have accused Solidarity of becoming too politicized, because it accepted responsibility for the reforms and claim that the OPZZ is the real trade union, because it is only concerned with defending worker's rights. Regrettably, some people in Solidarity accept this. They believe that Poland has made irreversible changes, communism lies defeated, and we are now a totally free country that is in no danger from postcommunist groups. Has it been totally forgotten that 95 percent of OPZZ's membership joined OPZZ during the martial-law period?

[Matuszewska] I cannot believe that we do not sense any danger. People see how the former nomenklatura has made itself and its cronies comfortable in nomenklatura companies and how they continue to do highly lucrative business that at times borders on the illegal. He who has the money will sooner or later have power.

[Krzaklewski] The nomenklatura that acquired assets for itself is the tip of this iceberg, and it is the most visible. Polish society feels this state of affairs is an outrage. We are also faced by external dangers, namely, the issue of the Soviet troop pullout, the Gulf war effects, and Soviet intervention in the Baltic republics. These issues affect the situation in Poland. As a trade union we cannot ignore these developments, and given these internal and external factors, one must make a decision whether one is prepared to join the OPZZ-promoted strikes in the rail, telecommunications, and power station sectors. Can it be pure coincidence that it is in these crucial sectors of the national economy that a revival of the so-called "true trade unionists" is taking place?

[Matuszewska] Nevertheless, at the factory level there is increasing frequency of arrangements between "Solidarity" and the OPZZ. Political divisions are being forgotten and life's hard conditions are forcing people to make decisions, which often do not reflect our system of current values. Are you aware of this danger?

[Krzaklewski] It is true that many people have forgotten OPZZ's origins and the personal vetting during martial law. What they now see is how OPZZ is strongly championing "the rightful interests of the workers." Given this situation, Solidarity badly needs a success to add to its political success, but this is proving difficult to achieve, especially now in the period of clumsy transformations that remain incomprehensible to society and the recent excess earnings tax dispute. An additional barrier to a Solidarity success is the outdated and poor legislation. The former government and Sejm made the bad mistake of neglecting trade union legislation, which consists of four bills (on trade unions; on factory collective agreements; on collective disputes; and on employers' unions), and are crucial to trade union

activity. Factory collective agreements will soon become very important, and most negotiations will take place in factories. It is a kind of paradox that at this very moment the so-called global employer is in reality not the state, but the Ministry of Finance. In almost all the negotiations I have attended since May 1990, especially those involving wage disputes, all government declarations have reflected the line taken by Minister Balcerowicz and Deputy Minister Pazur, the main representatives of employers in Poland.

[Matuszewska] In the National Commission, you are the man responsible for industrial sectors. But Solidarity's network of industrial sector committees, which more and more activists are supporting, is too reminiscent of the OPZZ. Nevertheless people find it easier to communicate within these sector committees than within regional administrative committees.

[Krzaklewski] Yes, the sector committees are a forum of rapid communication between union members, apart from which they are a natural party to any talks with employers. According to Solidarity strategy, talks at industrial sector level should be the middle tier of a three-tier system of negotiations. The top tier is general union talks with national employers, involving, among other things, guaranteed minimum wages, minimum unemployment benefit, the maximum permissible level of unemployment, legislation on social and worker affairs, and ways of protecting workers against the effects of government measures such as anti-inflation programs. At the second tier, industrial sectors, one would discuss collective agreements and special safeguards for a given sector. The bottom tier will involve the broadest scope of negotiations, i.e. collective labor agreements for factories, binding on employers and the union.

It has been said that the union's local administrative-industrial sector structure reduces the significance of the regional chapters. But there are more and more private businesses that are too small to have their own Solidarity committee. So the only way they can be represented is by strong regional chapters, through which interfactory union committees can be formed.

Such a mixed structure guarantees the union's dynamism and is better suited to changing economic and social conditions. Apart from that, it is more effective in a market economy.

[Matuszewska] What sort of union do you see in the future?

[Krzaklewski] Solidarity still has to see to it that there is no turning back from the process of democratic changes, apart from which we have to apply enough pressure to make sure certain painful and grievous matters, such as the illegal acquisition of wealth and property by the nomenklatura, are settled in law. Some kind of legal formula permitting redress has to be applied, because the things that have happened in the past call for vengeance. Solidarity must enrich its material base so as to create a strike fund and another fund to cover education expenses and the effects of unemployment. It must also acquire more premises and expand its infrastructure. In our training, we must abandon the failed system of conferences in favor of professional tuition for our experts, including negotiators.

We must also resolve the question of pensioners and infirm persons, something we have been neglecting. For this purpose, the union must present ideas on social legislation and on employing handicapped persons. Assuming that the processes of democratization are completed and the market economy becomes reality, we will gradually become a normal union. But if that happens, how will we differ from the other unions? That is the question.

[Matuszewska] Maybe there will be no need to differ.

[Krzaklewski] Are we to be just a normal, drab trade union called Solidarity? Perhaps I am too romantically-inclined, but for me Solidarity is a value in itself, in the sense of independence and moral values. It is a historical value, but not something to be deposited in a museum display case.

1990 'Excellent' Year for Foreign Trade

LD2702223891 Warsaw PAP in English 1915 GMT 27 Feb 91

[Text] Warsaw, Feb. 27—The year 1990 was an excellent year for Poland's foreign trade, according to preliminary estimates. Exports to hard-currency countries grew by as much as 40 percent, reaching 11.9 billion dollars while imports rose by over 1 percent, totalling 8 billion dollars.

Exports to former East Bloc countries fell by 10.4 percent, reaching 11.4 billion rubles, while imports fell by 33.7 percent, to a total of 6.6 billion rubles. Overall, exports (in fixed prices) last year grew by 14.9 percent and imports fell by 15.6 percent as compared to 1989.

The geographic structure of Poland's foreign trade changed fundamentally. In previous years the Soviet Union was Poland's chief economic partner. Last year Germany moved into first position as Poland's major foreign trade partner to which Poland sold a quarter of its exported goods and services and from which it bought 22 percent of its imports.

Nearly a half of Polish exports went to three countries last year: Germany, the Soviet Union and Britain, while 54 percent of imports came from Germany, Italy, the Soviet Union and Switzerland.

Poland's trade surplus with the hard-currency zone amounted to 3.79 billion dollars, and with former East Bloc countries - 4.79 billion rubles.

Also noteworthy is the share of the Polish private sector in foreign trade. Its exports grew three-fold and imports five-fold over 1989.

Last year Poland became a net exporter of food. The trade surplus in this field totalled 183 million rubles in trade with former East Bloc countries (172 million in 1989) and 1.2 billion dollars with hard currency countries (in 1989 Poland had a trade deficit of 17 million dollars).

The Ministry for Foreign Economic Relations does not expect such good results this year owing to both internal and international factors. Among them are the switch to hard currency settlement of accounts in trade with the Soviet Union and subsequent drop in trade, and the current exchange rate of the zloty to major world currencies which is a barrier to Polish exports.

Walesa Meets With CSFR Defense Minister

LD2702224191 Warsaw PAP in English 1858 GMT 27 Feb 91

[Text] Warsaw, Feb. 27—Polish President Lech Walesa received here today members of the Citizens Foundation to discuss problems of its operation.

The major goal of the foundation set up by Lech Walesa is to finance activity aimed at democratization in Poland.

The foundation members told the president that their problems stem from the failure of the National Endowment for Democracy, the chief sponsor, to pay a promised installment and asked Lech Walesa to discuss this matter during his forthcoming visit to the U.S.

Also today President Walesa received Barbara Piasecka-Johnson, an American businesswoman of Polish descent, and thanked her for her engagement in Polish reforms, especially for her efforts to save the Gdansk shipyard from closure in 1989.

The talks concerned Piasecka-Johnson's contribution to the development of the pharmaceutical and printing industries in Poland and her plans to build an agricultural library in Warsaw.

The president received today Czechoslovak Defence Minister Lubos Dobrovsky, in the presence of Polish Defence Minister Piotr Kolodziejczyk and Minister of State Jacek Merkel.

The sides underlined their mutual understanding for the issues connected with the Warsw Pact and for bilateral relations, a communique of the presidential press office says.

Hungarian Special Services Delegation Visits

LD2702231791 Warsaw PAP in English 2118 GMT 27 Feb 91

[Text] Warsaw, Feb. 27—A delegation of the Hungarian special services paid a visit to Poland between February 24 and 27 to adopt principles of cooperation between special services of the two countries in conditions of systemic changes taking place in Poland and Hungary.

The delegation led by Minister at the Office of the Hungarian Prime Minister Andras Galszecsy came to Poland at the invitation from Head of the Office for the State Protection Andrzej Milczanowski.

Minister Andras Galszecsy also met with Minister of State for National Security at the President's Office Jacek Merkel and Polish Interior Minister Henryk Majewski.

PRC's Qian Qichen Meets With Skubiszewski

LD2802133191 Warsaw PAP in English 1110 GMT 28 Feb 91

[Text] Warsaw, Feb. 28—Visiting Minister of Foreign Affairs of the People's Republic of China Qian Qichen met with his Polish counterpart Krzysztof Skubiszewski here today.

During the talks, the sides reviewed bilateral relations, including the issue of Poland's trade relations with Taiwan.

Skubiszewski assured his interlocutor that Poland does not intend to establish diplomatic relations with Taiwan.

Roman's Economic Report, 'New Mechanism' Viewed

AU2802114791 Bucharest ROMPRES in English 1038 GMT 28 Feb 91

[Text] Bucharest ROMPRES 28/2/1991—**The Contradictions of Reform**

A strong contradiction emerged between the mechanism built through the activity of legislating the new economic framework, and the real mechanism. This contradiction is not accidental; it originates first in the coexistence of the elements of two diametrically opposed economic mechanisms, secondly, in the fact that the newly-built mechanism places itself in an area that is densely populated with the forces of conservative inertia, with bureaucratic reflexes and the bad habit of hiding tough realities behind lies. In this area the government should work more firmly.

The essence of the new mechanism is the institution of the right to private property, privatization, liberalization of materials, equipment, work force, capital markets, liberalization of prices.

The building of the new mechanism in broad lines may conclude early in 1992.

However, the new mechanism is incompatible with the existing economic complex. It should change that complex by encouraging efficient activities and by pressing inefficient areas into bankruptcy.

In 1990 the inherited economic complex operated as a mixture of the old and the new mechanism and had unfavourable effects, such as:

The emergence of a new structural disbalance and the deepening of the existing one;

The financing of the disbalance, which used currency reserves up and led to foreign debt, the reduction of investment activities, a large money supply on the market.

Transition went hand in hand with a dilation of the underground economy, in a perverse form, in the sense that it acts as a parasite on the state enterprises which are being reorganized and as a means of spoliating the people in their capacity as consumers.

We must fight corruption which has reached inadmissible proportions were we to refer to civil servants.

Bribe-taking, influence trading, favouritism, the implementation of laws and government resolutions or not, function of personal interests are the repellent forms of this phenomenon.

Corruption can be liquidated by setting civil servants' norms of conduct and through the unrelenting action, with no exception, of the comptrollership, the Prosecutor's Office and of the judiciary.

No economic policy can overlook this sector of the economy. Furthermore, we have to most energetically fight and put a halt to the drug market, an area where a special programme is needed.

In this early stage of the reform fractures occur between the two flows of the economy: The material flow on the one hand and the monetary flow on the other hand which causes complicated problems also owing to the fact that they coincide with the collapse of the old structures of the state apparatus.

The mechanisms of the market economy show numerous dissonances between the current structure of production and (domestic and external) demand, which reflects in the use of units below capacity and their staff's going unemployed, the rise in the prices of products in short supply, the reorganization of investment, etc.

If these processes were left to work according to free market rules alone, the risk would arise of excessively extending the period wherein they should be achieved, of the emergence of problems of an economic and social nature, with an uncontrollable course and with unpredictable consequences. The experience of advanced countries, where government bodies intervene actively and flexibly and, through a judiciously formulated and consistently promoted policy, favour the updating and growth of the national economy, should be capitalized.

The economic reform was primarily achieved on an institutional plane, while managerial structures both at the macroeconomic level and in every economic process were not changed radically.

The Economy in 1991

In 1990 production continued to decline substantially, but the population's money incomes increased considerably. The already existing money surplus increased and offer could no longer keep pace with demand. After November 1, 1990, when most of the prices had been liberalized, the general level of consumption prices increased 50.3 percent. As you know from the debates in parliament on the last fiscal year, the state budget as a whole registered a 3.8 billion lei deficit. The monetary discipline was maintained in the last part of 1990; in November and December internal credit increased 10 percent and the moratorium on base salary rates announced in July 1990 was maintained despite marked rises in prices.

We made a mistake in February 1990 when we did not take radical, frontal measures to make enterprises autonomous. Because acceptance of production norms in enterprises without creating incentives through a freer pay policy, controlled according to strictly financial and banking criteria, obviously led to an unwillingness to work, to the perpetuation of overall work, work in bulk instead of individual and invidualized work. In fact, we were rapidly confronted with the incompatibility between two mechanisms whose economic philosophy is diametrically opposed.

The true decentralization movement occurs upon the initiative of enterprisers. However, the tendencies towards centralization are not dead.

There are structures of interests on the part of people who do not want and cannot accept anything fundamental to change.

The relations on a macro-economic scale in the structure of the Romanian economy, the scope of participation of economic branches and industrial sectors are in an irreducible contradiction with those in a modern economy. In plain words, they are outside the current flow of economic assets. They are antimodern.

One of the capital problems of 1991 is to stop the economic decline, all while frontally approaching the problem of technological re-equipement. It is according to this outlook that the government's economic programme for 1991 was worked out. Otherwise, the macrostructures of the national economy will be jeopardized, and foreign debt will increase not for the sake of technological re-equipement, restructuring and privatization, but only to add to the home production intended for consumption.

How could the economic complex cooperate in 1991? In theory, at least 3 scenarios are possible:

a) A return to the pre-revolutionary mechanism. A solution which, besides forcing the logic of the revolution and the people's will, is not possible, as I have shown above.

b) Extending the transitional mechanism of 1990. Which would entail:

Greater disbalance;

Maintenance of minimum flows of imports of crude, coal, gas and other raw materials.

For lack of external resources a material stoppage would ineluctably occur, which would inevitably trigger the formation of a foreign debt at the expense of consumption and of an internal debt.

Finally, against the background of salary claims, an open and uncontrolled inflation would emerge.

c) The stepped-up construction of the new mechanism. We unequivocally state in favour of this path as the fundamental resolution of problems resides in the transition to a market economy, which cannot be held responsible for inherited crises but which has its own cost.

Foreign Ministry Spokesman Holds News Conference

AU2802194991 Bucharest ROMPRES in English 1903 GMT 28 Feb 91

[Text] Bucharest ROMPRES, 28/2/1991—During his weekly press conference the Foreign Affairs Ministry Spokesman specified that after the Warsaw Treaty had been dissolved the former socialist countries are preoccupied to negotiate intermediate or transitory arrangements and bilateral agreements, showing that Romania would also follow this path: the negotiation of bilateral agreements in the military domain. He mentioned that Romania had started such negotiations with the Soviet Union to elaborate a treaty of military assistance. I think, he specified, that we shall conclude such bilateral agreements with other non-neighbour countries, too, with great military powers which could be very useful to us, such as France, China, the U.S.A., and others.

The Foreign Affairs Ministry spokesman, Undersecretary of State Teodor Melescanu, also showed that Romania's direct losses resulted from the Gulf war were of about three billion dollars, that is 1.7 billion dollars representing the debt which Iraq did not pay and about 1.3 billion dollars cooperation actions that could not have been finalized. Romania, as a country having backed up the coalition in keeping with the stipulations in the UN Security Council Resolution No. 678, is entitled to claim damages, the speaker said. The Security Council Committee No. 661 discussed Romania's requests concerning the retrieve of its losses. That committee adopted a resolution in keeping with which Romania is entitled to these damages.

As far as Romania's relations with Iraq are concerned, Mr. Teodor Melescanu underscored, several stands taken by the Romanian Government emphasised that Romania's attitude towards the Gulf conflict does not mean a hostile stand against the Iraqi people. Romania, he mentioned, built economic units in Iraq while other units are to be built. A first valuation made by the Romanian Ministry of Foreign Affairs shows that several units built by Romanians were destroyed. It is likely that if Iraq intends to re-build them, the best supplier of equipment will be the one that made them. That also includes large projects Romania has started with Iraq, a large quantity of units already built but yet unpaid. I think they should be part of the damages Iraq has to pay. We take into consideration that country's relatively limited possibilities both to pay damages and to re-build everything that was destroyed.

In connection with the approval by the Romanian Government of the convention regarding the sending of Romanian staff to the State of Israel to carry on activity under various contracts, the Foreign Ministry's spokesman specified: "This convention Falls within the broader concerns of the Romanian Government to put conditions in place for Romania's cooperation in constructions, including the sending of specialized staff to a number of countries such as Kuwait, with which programmes for participation in reconstruction are in an advanced stage, Jordan and other states in the area." In that context, the spokesman informed that at the end of March the Consulate of South Africa will start operating in Bucharest among its attributions being also the granting of temporary visas and work permits for Romanian citizens.

Romanian Prime Minister Petre Roman will pay official visits to Chile, Ecuador and Brazil over March 4-13 at the invitation of those countries' presidents; he will have two rounds of talks with each of them, Mr. Teodor Melescanu, spokesman of the Ministry of Foreign affairs, announced during his weekly press conference.

The prime minister will also have talks with the speakers of those countries' parliaments, with the ministers of foreign affairs, of the economy, finances, and others, as well as with the presidents of the chambers of trade and industry. The main goal of that visit is to identify new possibilities for the development of Romania's economic collaboration with those states. At the chambers of trade and industry as well as at the Chilean Foreign Relations Council Prime Minister Petre Roman will make addresses on the evolution of the democratization process in Romania, on the consolidation of the state of law, on the transition to the market economy.

At the same time, Prime Minister Petre Roman will meet with representatives of the most important state and private companies in those countries.

During the 28 February news conference Undersecretary of State Teodor Melescanu referred to the visit Romanian Foreign Minister Adrian Nastase is paying to Malaysia stressing that in Kuala Lumpur the head of the Romanian diplomacy attended the proceedings of the seventh session of the Joint Romanian-Malaysian Governmental commission in his capacity as co-chairman of the commission. An inter-governmental agreement on sea transport between Romania and Malaysia, a trade accord, an economic, technical and scientific cooperation agreement were signed on the occasion.

Mr. Adrian Nastase had consultations with his Malaysian counterpart, Omar Abu Hassan. The two ministers informed each other about political, economic and social developments in their countries and stressed the mutual wish to intensify political cooperation on a bilateral and international plane. They noted that Romania and Malaysia had very close or identical stands on most of the international issues approached.

Questions concerning the economic cooperation between the two countries were examined by the Romanian minister during the interviews he had with the Malaysian ministers of primary industry and foreign trade.

Mr. Melescanu also announced that owing to the military coup in Thailand the visit to that country scheduled for the end of February was postponed sine die.

Weekly Staff Resigns; Plans To Issue New Paper

AU2802110391 Bucharest ROMPRES in English 0958 GMT 28 Feb 91

[Text] Bucharest, ROMPRES 28/2/1991—The former editorial staff of the independent weekly "NATIUNEA" issued under the direction of the "Europa Nova" Association, gave a news conference explaining that the interference of the association with the publication of coverages that would have changed the weekly into a press organ of Mr. Iosif Constantin Dragan was why the whole editorial staff had resigned.

Although they did resign, the No. five of the "NATIUNEA" was put out, with the same editorial board printed on it, and comprising the articles that had been rejected by them as not fitting in the line established for the weekly.

The staff members of the "NATIUNEA" have decided to set up a new newspaper, entitled "NATIUNEA ROMANA" to continue the activity as independent weekly.

Declining Industrial Performance in January Viewed

AU2802104991 Bucharest ROMPRES in English 0952 GMT 28 Feb 91

[Text] Bucharest, ROMPRES 28/2/1991—The national statistical board shows that the performance of industry in January 1991 was worth 151 billion lei, which means a decline as compared with January 1990 and with the monthly average of last year.

The domestic market was supplied, for productive consumption, investment and the market stock, with products and services worth 131.4 billion lei, and for export 15 billion lei. The stocks of finished goods with the producers were worth 101.2 billion lei at the end of January 1991, meaning a 4.6 billion lei (4.8 percent) rise over the beginning of the year. In consideration of this, the economic agents consider that the shortage of material and energy resources are the major causes of the drop in production.

At the end of January 1991, the economic agents were possessed of orders and contracts totalling 805 billion lei, including 89.3 billion lei for the market stock and 86.1 billion lei for export. Taking account of the fact that most of the contracts are for intermediate consumption, which is 70 percent, it results that the adequate unfolding of the industrial activity is conditioned to a great extent upon the rhythmical supplies of energy, raw and auxiliary materials .

Considering the production of January 1991—which is poor—the contracts existing at the end of January are tantamount to the production for some six months.

The month of January 1991 is below the level of January 1990 also as regards labour productivity 76.5 percent.

Role of State Farms in Ensuring Supplies Viewed

AU2802105191 Bucharest ROMPRES in English 0950 GMT 28 Feb 91

[Text] Bucharest ROMPRES 28/2/1991—The state farms subordinated to the Department of State Agriculture, encompass 2.1 million hectares, of which 1.6 million hectares of tillable land, said head of Agriculture Department Mihai Cojocaru. The bulk of this comes from the former properties of the Chambers of Agriculture and of the farming ranges, to which another 700-800,000 hectares of land expropriated from land owners in 1945 were added. To this an extra 500,000 hectares resulted from damming and reclaiming Danube Delta flood lands of very little economic value. State agriculture, that holds only 17 percent of the country's arable land, provides one third of the milk, 72 percent of the pork meats, 80 percent of the poultry meat and 90 percent of the hen eggs production.

For at least few years from now, the immense potential of state farms can function as an equilibrium factor in the supply to the home market. Which does not mean we intend to stay apart from the market economy the whole country is looking forward to. Of the about 700 farm units, two thirds have already resettled as commercial companies, such as the former "AVICOLAS" (poultry farms), the greenhouse units as well as 190 state agricultural farms. The process implies much more than a mere change of name. We contemplate a gradual transition of managerial prerogatives to private entrepreneurs mainly through commissioning and land lease. To this effect we are now redimensioning farms from unmanageable giants to estates a man can run single-handed.

Bishop Says Exodus of Ethnic Germans Continues

AU2802143191 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 28 Feb 91 p 1

["epd" report: "Bishop Klein: Emigration From Transylvania Continues"]

[Text] Munich, 27 February—In the view of Sibiu Bishop Klein, the emigration of Transylvanian Saxons from Romania will continue. In Munich the head of the Evangelical Church of Transylvania has stated that none of those who are resolved to leave their home country can be made to stay. The exodus cannot even be stopped by the law that has just been passed in Bucharest, according to which dispossessed farmers will be returned their land. The continuing exodus has created a "completely new situation" in the country. The bishop said that "we must start setting up a Diaspora church that works completely differently from our current popular church." The communities must get used to the fact that in the future the priest can come only every second or third Sunday to hold a service, the bishop added. Of the remaining 80 priests, 30 said they wanted to emigrate this year, Bishop Klein concluded.

Reportage on Nastase's Visit to Austria

WA0228180291

For reportage on the visit by Foreign Minister Adrian Nastase to Austria, including reports on his talks with Austrian Foreign Minister Alois Mock, see the Austria section of the 28 February West Europe DAILY REPORT and subsequent issues.

Malaysian Reportage on Nastase Visit

WA2802181091

For Malaysian reportage on the visit by Foreign Minister Adrian Nastase, including arrival announcement and discussion of bilateral relations, see the Brunei, Malaysia & Singapore section of the 28 February and subsequent issues of the East Asia DAILY REPORT.

FEC Proposes Changes to State Border Law

LD2602223991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1243 GMT 26 Feb 91

[Text] Belgrade, 26 Feb (TANJUG)—If republican and provincial bodies do not secure enforcement of regulations on the control of state border crossings and movements and stay within border zone, the Federal Secretariat for Internal Affairs will appoint an inspector who will ensure the enforcement of all regulations. This is the gist of changes and amendments to the law on state border crossings and movements in the border zone, which the Federal Executive Council [FEC] sent today to the SFRY Assembly.

If the violation of these federal regulations can endanger the security of the country or cause other serious consequences, the Federal Government will, the proposed changes to the law envisage, empower a Federal internal affairs body to supervise their direct enforcement at certain border crossings.

Those who, without a permit obtained form a competent Federal body, import or make possible the importation of weapons or ammunition will be sentenced to one to five years imprisonment according to the changes to the law.

An explanation of the proposed changes to the law, which according to the FEC should be adopted in an emergency procedure, says that current Federal regulations in this area are sometimes violated by bodies who should be implementing them. Therefore, provisions of this law should be amended by an effective mechanism that would ensure its implementation.

LC-MY Member Comments on NATO 'Pressure'

AU2802150491 Belgrade POLITIKA in Serbo-Croatian 17 Feb 91 p 9

[B. Pejak report: "Franjo Tudjman Is Longing for Austro-Hungarian Empire"]

[Text] Loznica, 16 Feb—Last night, as part of the promotion campaign of the League of Communists-Movement for Yugoslavia [LC-MY], Colonel General Stevan Mirkovic, member of the Main Committee of the LC-MY, spoke in the Vuk Culture Hall in Loznica. General Mirkovic presented his views on the current political situation regarding events in Croatia and Slovenia, particularly the sale of arms by Hungary.

"All this is only a part of NATO's pressure and campaign whose aim is to divide and break up Yugoslavia," stressed Mirkovic. "For some time we were not in a position to say that somebody had been up to something or that they were instigating the disintegration of Yugoslavia. Recently there has been much evidence to support this. There is, for instance, the note of the State Department that arrived here just before the elections in Serbia, the note in which they are teaching us lessons. Or, U.S. delegations are coming here to Serbia and are roaming through Kosovo, instigating the Albanian Alternative. Moreover, various statements have been coming from England supporting secessionist forces in Croatia and Slovenia. Messages are also coming from Austria. In this context, a Hungarian minister recently stated that he will have a correct attitude toward Serbia and friendly one toward Croatia and Slovenia.

"I must say," General Mirkovic continued, "that some time ago I spoke to the first secretary of the United States Embassy in Belgrade. He asked me what kind of party we were, in the sense of whether we were a party of generals. Then he asked me about the possibility of a military coup, and so forth. I told him that we did not like this, that in fact we thought that the U.S. representatives were behaving incorrectly and that they were interfering in our internal affairs. He was very angry. He said: 'We are helping democratic forces.' I replied: 'Those you are helping in Croatia are not democratic forces, you are playing the wrong card. In Croatia they are Ustasha forces and in Slovenia the White Guards. You can only lose this game.'" According to General Mirkovic there was no doubt that this was pressure, support to those forces that want to destroy Yugoslavia, and that in this particular case concerned Ustashas in Croatia. Of course, all this was, I would say, done with "kid gloves" so that nothing could be proved. Regarding the sale of arms, the "Kalashnikov affair" that was uncovered by the Army, it is quite clear that this represented support to those force that want break up Yugoslavia.

"All this occurred because it is being claimed that the USSR has retreated and that NATO, feeling that there is no balance in this part of Europe, wants to accomplish some of its interests and aims by exerting pressure. The USSR has lost some of its positions in Europe, but is still so strong that nobody could threaten it. Therefore, regarding dangers from abroad, I think that we can still sleep in peace because nobody will dare attack us because of this "other side." Regarding Tudjman taking sides with those with whom he did, this is because he is still longing for the Austro-Hungarian empire," Colonel General Stevan Mirkovic said in conclusion.

Slovenia's Mencinger on Economic Plans

AU2802164591 Vienna WOCHENPRESSE in German 28 Feb 91 pp 46-47

[Interview with Slovene Economic Minister Joze Mencinger by Hannes Reichmann; place and date not given: "Divorcees Do Not Remarry"]

[Text] Dr. Joze Mencinger was born in 1941, studied national economy and law in Belgrade and Philadelphia, and worked as a project consultant for the World Bank and the UN Food And Agriculture Organization FAO. The founding member of the "Social Democratic Alliance of Slovenia" is deputy government president and, next to Christian Democrat Lojze Peterle, the most influential Cabinet member—a "politician for a certain

time," as the macro-economist stresses, who is dreaming of becoming a professor at Ljubljana University in an independent Slovene state.

[Reichmann] Mr. Mencinger, Prime Minister Lojze Peterle just returned from a visit to several small countries to study political models for independent Slovenia. As the vice prime minister, you must create the economic basis for such an independent state. Are two million Slovens able to survive independently?

[Mencinger] When I assumed my position eight months ago the economic reform was still conceived within the framework of an all-Yugoslav confederation. From 1.5 percent at the time, the unemployment rate has risen to 6 percent. For this year I expect 12 percent or even more, a percentage we will just about be able to cope with socially. Now we are abandoning all those plans and study the chances of independence....

[Reichmann] .... after the referendum of 23 December of last year, which resulted in an overwhelming majority in favor of independence, the final decision has to be made by 23 June at the latest ...

[Mencinger] ...which will come earlier, and—I suspect—much earlier. Time is short, but we cannot wait any longer—whether with or without Croatia. The political model calculations of 4 to 1 to 1 provide at best extra time for Belgrade, which has been shown by the crises summits of the past few weeks. Even the recent argument over Slovenia's share in the overall Yugoslav debts cannot stop us from seceding. Time is short.

[Reichmann] As a politician you obviously think that the process of splitting off is much too slow, while as economic minister you think it is too fast?

[Mencinger] That is true. Sometimes I have the feeling that the entire government here in Ljubljana has gone crazy. At the same time a fast pace is our chance. Even now we have some thousand joint ventures, mainly with Austrian, German, and Italian enterprises. According to our estimates, independence would create an additional massive impetus. We must open even further to Western Europe. Albanian-style isolation would mean total bankruptcy.

[Reichmann] There is no need to be so pessimistic. After all, the current per capita gross national product in Slovenia is just under $6,000, or seven times that of Kosovo. It is even higher than that of EC members Portugal and Greece, and only slightly lower than that of Spain.

[Mencinger] This is exactly where the danger lies. The people have been spoiled. They believe that they can attain Austrian or Swiss living conditions immediately after the conclusion of independence. Leaving the confederacy would certainly be very hard for us at the beginning. After all, currently one-quarter of all Slovene products go to the other Yugoslav republics, including Serbia.

[Reichmann] When you speak about your plans for separation you still use the subjunctive, while secession was decided long ago.

[Mencinger] It is true that in this ministry we are already making concrete preparations.

[Reichmann] Among other things there are plans for a separate currency.

[Mencinger] True, it is required by independence, unless we use the schilling, for example. This would mean that we first have to seek an agreement with your country.

[Reichmann] Do you actually consider such a step?

[Mencinger] Well, there are two considerations: If we want to be guided by the exchange rate of the schilling and even use the schilling as the currency of independent Slovenia, then the Austrians would first have to agree to it. Anyway, there is a more likely alternative, namely that our new currency will be the "Lipa."

[Reichmann] The Lipa already exists on the black market, it was brought into circulation by a Ljubljana businessman in 1989.

[Mencinger] There is a simple reason that explains the name of this currency. Besides, it is short and easy to remember, even abroad. The Lipa will be guided by the exchange rate of the schilling.

[Reichmann] What is Austria's role in your economic scenarios for independence?

[Mencinger] There is no doubt that today Austria is the country that has the friendliest attitude toward us. In particular, we have the support and unserstanding of Austrian entrepreneurs. It is your companies and banks that are opening offices here in Ljubljana even now, in this period of uncertainty. This is particularly important at the moment.

[Reichmann] Recently you spoke about establishing some sort of Slovene free-trade zone.

[Mencinger] Indeed, there are such considerations. Of course, it depends on both sides whether or not such a zone is established exclusively with Austria. We are the weaker partner. We need foreign capital in any case—all the more so after secession.

[Reichmann] Your colleague in the government, Tourism Minister Ingo Pas, even spoke of the idea of making Slovenia's Austria's tenth province.

[Mencinger] I do not see this in such an extreme manner. Someone who has just got a divorce does not marry again that quickly. If we become independent under such extreme difficulties, we will not give it up again immediately.

[Reichmann] Thus, let us stay with independence. Do these scenarios imply serious difficulties in supplies for Slovenia, such as in the case of energy or raw materials?

[Mencinger] No, but two areas are extremely important. Our administration must be organized efficiently.

[Reichmann] ...thus, there will no longer be 24 government members, as today, for the two million Slovenes in their own state?

[Mencinger] No, certainly not. There will clearly be fewer government members. The second point, however, is at least equally important: Productivity of the enterprises must increase enormously. Nevertheless, at the beginning the standard of living will certainly decline.

[Reichmann] On the other hand, Slovenia then saves subsidies paid to the Belgrade central state; after all, Slovenia has paid about 1,400 billion schillings since World War II.

[Mencinger] This figure is realistic. Because we are the best developed republic in industrial terms, we also benefited from the central state. We were certainly not a colony. Those who claim this today, succumb to irrational nationalism. The largest item for subsidies was and is the Army. Therefore, I am for a radical demilitarization of Slovenia. We could become some sort of Costa Rica in Europe, that is, a state without an Army.

[Reichmann] What does economist Mencinger actually recommend to the practically bankrupt companies in Slovenia, the former model enterprises, such as the ski factory Elan or the electronics giant Iskra?

[Mencinger] At the beginning, the managers asked for money. But we do not have this money. A protracted process of rethinking has started. As a theoretician, I certainly have to struggle with practical problems of enterprises—enterprises that until recently were used to the fact that the government simply must help in critical moments. The holes in our purse also have an advantage. As an economic theoretician I have always been against state subsidies. Now, as a practicing economic politician, I can certainly remain loyal to this principle.

[Reichmann] Only after long hesitation you accepted this office. Have you come, in the meantime, to like life as a politician?

[Mencinger] If the situation were not so dramatic, I would resign today. How little I feel like a politician is shown by the fact that I would much prefer to go skiing at present.

Results of Slovene Politicians' European Tour

AU2802191191 Zagreb VJESNIK in Serbo-Croatian 19 Feb 91 p 7

[Stane Pucko report: "Who Has a Harder Time, Slovenes or Lithuanians?"]

[Text] It would be very interesting to see whether Slovene Television manages to show authentic footage of the tragic events in Lithuania on 13 January of this year before the legislative session is held on Wednesday. The shots were brought from Vilnius by a Slovene legislative delegation. Allegedly, this film, contrary to the gift-wrapped television reports on the above mentioned events, gives the actual account of the Lithuanian defense of sovereignty and reveals the real drama of the Lithuanian nation.

Lithuania Demands Recognition

The situation in Vilnius is still dramatic. The Slovene delegation claims that it saw gasoline burning around the legislature and the trenches being dug, while the building was protected by big concrete blocks. Windows and corridors were barricaded with sacks filled with sand while half of the deputies slept in the legislature together with many almost bare-handed guards. The Slovenes were very pleased with Vitautas Landsbergis, whom the media claims to be an introvert and coarse discussion partner, and impressed by his determination to defend Lithuania's sovereignty until the end. The Lithuanians consider Iceland's recognition of Lithuania as a mere renewal of the prewar recognition. Landsbergis reportedly has expressed the wish to visit Ljubljana and Belgrade this spring to try to negotiate its former recognition, although the Slovenes warned him that this will be very difficult. Still, they have brought his messages addressed to the Federal and Slovene Presidencies.

The Slovene delegation visited Lithuania to take part in the celebration of the first anniversary of the proclamation of Lithuanian independence and was received very warmly. Because of biased information, the Lithuanians believe that the situation in Slovenia and Yugoslavia is even worse than their own. Showing the authentic shots of Lithuanian defense just before the session of the Slovene Assembly, at which the deputies will discuss separation, would have the point of an argument about the nonsense of violence and its weakness when confronting the nation that is determined to actually defend its sovereignty.

Unsatisfactory Results

At the same time another Slovene delegation returned from a tour to another part of Europe. After coming back from the Benelux countries, Slovene President Lojze Peterle and two other ministers stated that they were pleased with their mission. Nevertheless, the moderate Lojze Peterle considered it necessary to describe the EEC as conservative—because it does not grasp the essence of Yugoslav relations and its situation. At the present stage of the republic attaining its independence, it would certainly be very important for the Slovene Government if it could have come back from the Benelux tour with actual agreements in its pocket. As the young Slovene diplomacy still has the task of making international political and other circles accustomed to Slovenia as an emerging state, we cannot say that Peterle's expedition returned empty-handed.

Europeans were offered specific economic arrangements, and their business interest was aroused. Slovene politics gained support from political parties, while Peterle and

Foreign Minister Dr. Dimitrij Rupel believe that presenting the Slovene view on the Yugoslav situation to European governments and political institutions will potentially yield favorable results.

In the Background—Money

During the tour, Finance Minister Dr. Kranjec almost certainly tried to obtain loans, which Slovenia needs at the moment to finance its actual steps to independence. So far, the government has not been able to announce a single definite arrangement, but Kranjec returned from Luxembourg with interesting information about the possibility of launching Slovene bonds on the international financial market. Minister Kranjec was only partially able to satisfy the big appetites and needs of his department, and he did this by withholding the money intended for the federation, especially at the expense of the Yugoslav People's Army. Therefore, the loans would be very significant. On his return from the Benelux countries, he was bitterly criticized for his taxation policies, as the economy was loudly complaining about further burdens.

Tudjman Absent From Presidency Session

LD0103153191 Belgrade TANJUG in English 1027 GMT 1 Mar 91

[Text] Belgrade, March 1 (TANJUG)—In Belgrade this morning, another in a series of enlarged sessions of the presidency of Yugoslavia on the country's political future was opened.

The session is not attended by president of the Yugoslav Republic of Croatia Franjo Tudjman.

In addition to members of the State Presidency, the federal prime minister and vice-president of the Federal Assembly, those invited to the session are the presidents of the Yugoslav republics and provinces.

The points discussed today are presented in the materials provisionally headlined "a concept of the contents of the most essential relations in the Yugoslav state community" and "a proposal for the constitutional-legal procedure for separation from Yugoslavia."

Letter Explains Absence

AU0103143091 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 1 Mar 91

[Text] The SFRY Presidency is discussing the activities the Federal Executive Council has carried out so far, as well as the Government's talks with the republics on overcoming economic and financial problems in Yugoslavia. Apart form the members of the SFRY Presidency, the session is also attended by all republic presidents and the presidents of the republican and provincial presidencies, apart from Croatian President Franjo Tudjman.

A debate on the documents entitled The Concept of the Contents of the Most Important Relations in the Yugoslav State Community and the Proposal of the Constitutional-Legal Procedure of Separation from Yugoslavia is underway at the moment.

Franjo Tudjman, has sent a letter to SFRY Presidency President Borisav Jovic in which he informs Jovic on the reasons for his failure to attend today's expanded session of the SFRY Presidency in Belgrade. I would like to inform you that I cannot participate in the negotiations on the future of Yugoslavia until pressures and threats with criminal prosecution for high treason [veleizdaja] stop. They can be felt, for example, in the opinion of the Federal Public Prosecutor's Office about the letter that I sent to U. S. President Bush, Croatian President Tudjman points out.

Serbian Council Adopts Separation Resolution

AU2802201491 Belgrade Domestic Service in Serbo-Croatian 1800 GMT 28 Feb 91

[Dragan Mihovic report on a resolution adopted by the Serbian National Council and the Executive Committee of the Serbian Autonomous Region from Krajina for leaving Croatia; in Knin, date not given]

[Text] [Mihovic] The text of the declaration and the explanation was read out by Serbian National Council President Dr. Milan Babic who said, among other things, that representatives of the Serbian people in Croatia had not been invited to participate in the talks on Yugoslavia's fate that have so far been conducted in the SFRY Presidency. The Serbs cannot accept the Croatian representatives as their own.

The introduction to the resolution cites among other things: Proceeding from the internationally recognized right to self-determination and on the basis of provisions in the SFRY Constitution on the equality of all Yugoslav peoples and the referendum that was held in August 1990, the Serbian people have set up the Serbian Autonomous Region of Krajina, as their own territorial political autonomous area, on their ethnic and historical territories that are within the framework of the administrative borders of Croatia.

The text of the resolution has five points. One, the Serbian people in the Serbian Autonomous Region of Krajina and the Republic of Croatia have no reason whatsoever to separate from the Yugoslav state and to accept the resolution of the Assembly of the Republic of Croatia on disassociation from the SFRY.

Two, the Krajina (?remains) in the state of Yugoslavia, that is to say, in a joint state with the republics of Serbia and Montenegro and the Serbian people in the republic of Bosnia-Hercegovina and other peoples in these republics who accept a joint state.

Three, by not accepting the resolution of the Croatian Assembly on disassociation from Yugoslavia, the Serbian people of the Krajina do not challenge the right of the Croatian people to separate from the Yugoslav state on their ethnic territory.

Four, in the period before the final separation of the Republic of Croatia and the Serbian Autonomous Region of Krajina, federal regulations, the regulations of the Serbian Autonomous Region of Krajina, and the legal rules and laws of the Republic of Croatia that are not at variance with federal regulations and the regulations of the Krajina will apply and be implemented in the area of the Serbian Autonomous Region of Krajina.

Five, this resolution represents the political will and desire of the Serbian people of Krajina for a peaceful and democratic separation of the Serbian and Croatian peoples, that is to say, the separation of the Republic of Croatia and the Serbian Autonomous Region of Krajina as a part of the Yugoslav state.

The resolution has been sent to the Croatian Assembly, the SFRY Presidency, and the domestic and international public.

Serbian delegates to the Croatian Assembly, communal presidents, officials of the Serbian Democratic Party, and guests—a total of 22 in all—spoke after the resolution was adopted. Everyone described this act as historically necessary and as a final attempt to place politics on realistic foundations.

Milan Babic on Resolution

LD2802183991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1702 GMT 28 Feb 91

[Text] Knin, 28 Feb (TANJUG)—The Serbian National Council and the Executive Council of the Serbian Autonomous Region [SAR] of Krajina have adopted today in Knin a resolution of on separation of the SAR of Krajina from the Republic of Croatia.

At the session, the Council president, Milan Babic, said that respecting the obvious desire of the Croatian people to separate from Yugoslavia, the Serbs from the Knin, Banija, Kordun, and Slavonija regions decided to remain within Yugoslavia and, hence, to separate from Croatia. Serbian Deputies in the Croatian Assembly and presidents of municipal assemblies from throughout the SAR of Krajina took part in today's session.

Here is the resolution of the separation of the SAR of Krijina from the Republic of Croatia:

"The Serbian people from Krajina and the Republic of Croatia have no reason to separate from the Yugoslav state and, therefore, rejects the resoluton of the Croatian Assembly on the Croatian separation from the SFRY. The SAR of Krajina remains in the Yugoslav state, that is, in a common state with the Republic of Serbia and Montenegro and the Serbian people in the Republic of Bosnia-Hercegovina and other nations that accept a common state.

"In rejecting the Croatian Assembly's resolution on the separation from Yugoslavia, the Serbian people from Krajina do not deny the Croatian people the right to separate from the Yugoslav state within its ethnic boundries. Until the SAR of Krajina is separated from the Croatian Republic, the federal laws, the laws of the SAR of Krajina and Croatian laws and regulations not contravening the federal laws and the laws of the SAR of Krajina, will be enforced on the territory of the SAR of Krajina. This resolution expresses the political will and desire of the Serbian people from Krajina for a peaceful and democratic separation of the Serbian and Croatian nations," the resolution adopted today concludes.

Army Paper States Croatia Continues Rebellion

LD2802221691 Belgrade TANJUG in English 1201 GMT 28 Feb 91

[Text] Belgrade, Feb 28 (TANJUG)—In the Republic of Croatia preparations continue for an armed rebellion against the Yugoslav People's Army and Yugoslavia, warns the NARODNA ARMIJA weekly in its special issue brought out today.

The weekly reports on 60 pages the fresh details concerning the affair of illegal arming of paramilitary units in Croatia which late last January rocked the whole country and opened up a conflict between the authorities of the Republic of Croatia and the Yugoslav military.

Assertions that illegal arming has not been given up in Croatia are confirmed in the weekly by reports on the distribution of arms among members of the ruling party of the Croatian Democratic Union (CDU). The weekly also carries data asserting that, during the action of disarming by January 21, no more than 427 firearms and hand grenades and 13,270 bullets were returned to the army in Croatia.

NARODNA ARMIJA also discloses that the Croatian Defence Ministry had foreseen to form, within its own armed forces, special units for urgent intervention in the conflicts of the so-called "low intensity."

NARODNA ARMIJA publishes the entire plan and methods of the formation and assignments of the said elite task units which would "do all for Croatia, always and in any place despite everything."

The paper also carries the text saying that "after the electoral victory of the Croatian Democratic Union (CDU), several hundred members of the extreme Croatian emigre organizations abroad have been, or still are in Croatia, notorious for their undermining and terrorist activities against Yugoslavia over years." Among them, there are "several war criminals," says the paper and gives several names, like Reim Kerima, the war criminal whose security during his recent stay in

Zagreb was said to have been "guaranteed personally by Croatian Interior Minister Josip Boljkovac."

In another article headlined "A Mosaic of Dirty Jobs," the paper writes that the "illegal purchase of arms for the purpose of arming the terrorist formations of the CDU—which has shocked the Yugoslav-Hungarian relations—is only the tip of an iceberg, as arms and other foreign-made goods have long been smuggled in." The article also states the names of several persons involved in the illegal actions.

As was made public towards the end of January, 10,000 Kalashnikov assault rifles were smuggled into Croatia from Hungary, while the authorities of Croatia, says the paper, had ordered 30,000 Kalashnikovs.

The illegal import of arms and evidence collected from the secretly filmed footage about participants in the plotting of an armed mutiny in Croatia have resulted in bringing in an indictment by the military court in Zagreb against Croatian Defence Minister Martin Spegelj and seven more persons.

All the accused, other than minister Spegelj, are being held in detention. The authorities of the republic of Croatia refuse to deliver Spegelj to the federal military organs and the indicted minister enjoys special protection in Zagreb.

The army paper, NARODNA ARMIJA, writes that "calculated anti-army feelings and fear of the military" continue to be disseminated in Croatia. The paper also carries: the full text of the indictment against Spegelj and other suspects, the statements by military investigation organs, texts of speeches during assembly debates and acts of the Croatian authorities, and also interviews given by Spegelj and the news articles concerning the smuggled arms affair.

Court Rules Pakrac Cannot Join Krajina SPO

LD2802213791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1959 GMT 28 Feb 91

[Summary] Zagreb, 28 Feb (TANJUG)—The Croatian Constitutional Court today pronounced null and void the decision of the Pakrac municpality to join the Krajina SPO [Serbian Autonomous Region], saying that it was anticonstitutional and contrary to the laws of the Republic of Croatia.

Izetbegovic Explains Presidency Session Statement

AU2802182191 Sarajevo OSLOBODJENJE in Serbo-Croatian 25 Feb 91 p 3

[Statement by Bosnia-Hercegovina Presidency President Alija Izetbegovic; place and date not given: "What I Really Proposed"]

[Text] The statement that I made after the SFRY Presidency session in Sarajevo has caused perplexity and different interpretations in the media. It is therefore necessary for me to explain what I really proposed at the session itself and what I personally think would be good for Bosnia-Hercegovina.

I presented the idea of an asymmetric or graded federation when it was already clear that no progress had been made, because we had all presented our own already well-known stands for the umpteenth time. I was thinking: If we cannot already agree on a unified solution for Yugoslavia, why should each one not live in the kind of Yugoslavia that they want: Serbia and Montenegro in a classic federation, Slovenia and Croatia in a confederation like the previous two, and Bosnia-Hercegovina (and Macedonia, as I understood it at that point) in conformity with the concept of relations in a future common state that we had established earlier in the competent bodies in the republic and that we had presented many times at the SFRY Presidency session. In this solution, Bosnia-Hercegovina's position is certainly somewhat closer to Serbia than Croatia's (or Slovenia's) position regarding Serbia, but it is also equally as far from (and close to) each of them. This part of my statement was obviously not interpreted correctly and caused the aforementioned perplexity, which I consider to be totally unnecessary.

I therefore stress:

1. A prerequisite for this or any other solution is the sovereignty and indivisibility of Bosnia-Hercegovina. Bosnia-Hercegovina will not have a vassal or colonial relationship with anyone and will therefore persevere in adopting the declaration on the sovereignty of Bosnia-Hercegovina.

2. The idea presented on an asymmetric federation tries to preserve the Yugoslav whole in some form, as the vital interest of Bosnia-Hercegovina, and is only valid if that the whole survives. It is not valid for a "diminished Yugoslavia." The so-called four-member federation is not acceptable to Bosnia-Hercegovina, nor is a Yugoslavia without Croatia.

3. If Slovenia and Croatia were to leave Yugoslavia (which is not a settled matter as some people have been trying to demonstrate), an essentially new situation would arise for Bosnia-Hercegovina and for all the others, and in this case, Bosnia-Hercegovina would have to define its stand in the light of this new fact.

4. Considering the multi-ethnic composition of our republic and the fateful significance of the issues involved, a decision on them should be made with a significant level of consensus in the Bosnia-Hercegovina Assembly, or if need be, through a referendum of all the republic's citizens.

In any case, it is necessary to seek solutions that will respect the legitimate interests of everyone and that will not cause disturbances and national conflicts. In a situation in which poverty and hunger are knocking at the

door of many families, we have least need of national divisions and conflicts. Alija Izetbegovic said this in a public statement.

Increasing Anti-Hungarian Sentiments in Vojvodina

AU0103091591 Budapest NEPSZAVA in Hungarian 26 Feb 91 pp 1,2

[Interview with Andras Agoston, chairman of the Democratic Union of Vojvodina Hungarians, by Kocsi; on the telephone from Vojvodina, date not given: "Increasing Anti-Hungarian Sentiments in Vojvodina"—first paragraph is NEPSZAVA introduction]

[Text] The sacristy of the St. Theresa Church in Subotica was hit by an explosion on Friday night [22 February], and investigations are still being carried out into the affair. So far, there is no proof of a link between the explosion and the "Death to Hungarians" slogans that have appeared on the walls of this Vojvodina town. Therefore, according to Andras Agoston, in all fairness, it cannot be said that this explosion was aimed at Hungarians.

[Kocsi] There are signs of growing anti-Hungarian sentiments in Serbia, as well as in the province of Vojvodina, which falls under Serbia's jurisdiction. Are these signs a reflection of the truth?

[Agoston] Political pressure is undeniably growing. Successive articles and accusations in the press prove this point. For example, the Belgrade socialist newspaper POLITIKA EKSPRES published an interview with a secret agent who stated that he was closely linked to leading military circles in Budapest. This agent leveled serious accusations at us. He said that the Vatican and the CIA were setting up their fifth column within the Democratic Union of Vojvodina Hungarians [VDMK]. As a legislative representative, I made an interpellation to the Serbian Government on this matter, and the reply to my question showed me that the Serbian leadership itself did not exclude such a possibility. I was in Kula a few days ago. One of our members there, a businessman, complained that he had received more than 20 telephone calls asking him whether it was true that a Kalashnikov depot had been hidden in his mill. I could list a series of other examples.

[Kocsi] In other words, the Kalashnikov affair did a lot of harm to Hungarians in Yugoslavia.

[Agoston] That is correct. Personally, we consider the subject to be closed, and we agree with the Hungarian Government's viewpoint, but our situation has not improved. It is becoming increasingly clear that the Socialist Party of Serbia is initiating and dictating this political pressure, presumably because local elections are due in Vojvodina. This is made even more obvious by the fact that the Serbian Renewal Party has behaved extremely correctly with the VDMK during this electoral campaign.

Private Sector's Economic Impact 'Insignificant'

LD2802200991 Belgrade TANJUG in English 1029 GMT 28 Feb 91

[Text] Belgrade, Feb 28 (TANJUG)—Nearly [word indistinct] but the participation of the private sector in the Yugoslav economy remains insignificant.

The Social Auditing Service (SDK) has estimates at its disposal that there are 16,490 private firms operating in Yugoslavia, although around 40,000 private enterprises, which were founded last year, have not gone into business yet.

In 1990, the new Yugoslav private sector was 38,496 strong (0.7 percent of the country's total employment in the economy). In the past the private sector comprised largely handicrafts alone.

Private enterprises accounted for 2.4 per cent of the overall income of the Yugoslav economy, 0.9 per cent of the generated income and 1.3 percent of the total gains. They participated in the allocated accumulation with 6.3 percent. This means that private enterprises earmarked 49 percent of their gains for the accumulation, while the entire Yugoslav economy earmarked 10 percent of its gains for the same purpose and over the same period of time.

Private enterprises in Yugoslavia performed a higher level of business efficiency, as the overall income-expenses ratio was 102 percent, compared with 100.7 percent of that of the entire economy.

Private enterprises have been and still are founded at the time of a difficult political and economic crisis in Yugoslavia.

Ownership transformation in the economy is unfolding through a deep recession and drop in the production with no possibility of relying on socially-owned enterprises. Conditions for output growth are not provided, labour transfer from the social to the private sector is not made easier, no conditions exist for transfer of parts of factories and plants under fair purchase terms, which would make the whole proccess of the Yugoslav economy's reconstruction more logical and less painful.

All those factors have discouraged the development of the private sector, directing 50 percent of it to commercial firms where the fastest turnover and cash payment are secured, avoiding business with social enterprises.

The Yugoslav private enterprises were last year left without professiomal assistance which was promised to them earlier, thus causing some irregularities in their operation due to the lack of knowledge of complex regulations regarding SDK activities. The SDK has therefore changed some regulations to clarify the rules for private enterprises.

The Committee for the Private Sector of the Yugoslav Chamber of the Economy will in future be responsible for the protection of interests of the private enterprises' owners, in keeping with a decision taken 20 days ago.